

Report to the Select Board of the 2017 **Override Study Committee**

Delivered February 9, 2018

Executive Summary

After reviewing the Report of the 2014 Override Study Committee and the detailed financial information provided by the current Town and School administrations, the 2017 Override Study Committee has made the following findings and makes the following recommendations:

- There have been no significant changes financial or operational practices by the Town or Schools since the 2014 OSC concluded that both were being run efficiently.
- Both tax and non-tax sources should be identified to support high quality school and town services.
- School enrollment growth has been well documented and is the driving factor in determining the need for additional revenue and school space.
- In order to meet the needs for school classroom expansion, a debt exclusion ballot question for BHS expansion should be placed before the voters in May 2018.
- In order to meet the needs for school expansion and operations as well as the town's deferred service needs and facilities repair and maintenance, additional revenues must be raised.
- The 2017 OSC recommends that there should be a three-year operating override ballot question placed before the voters in May 2018. The ballot question should be tiered in two parts:
 1. A Base Question addressing the school enrollment needs and deferred maintenance of public buildings
 2. A Top Question addressing needs for deferred services and equipment

The committee's full report follows.

Introduction

On October 3, 2017, the Brookline Select Board appointed an Override Study Committee (OSC) following the adoption of the following charge for the committee on September 5, 2017:

The Board of Selectmen shall establish a 2017 Override Study Committee (OSC) to determine whether an operating tax override of Proposition 2½ shall be recommended to support the Town's FY 2019 Budget. The recommendation shall detail the amount of any override, its allocation and for how long its intended support until consideration of the next tax override. The OSC shall be a temporary committee consisting of 7 or 9 members. The OSC shall include a member of the Board of Selectmen, a member of the School Committee, and a member of the Advisory Committee. The remaining members shall be appointed in a manner to balance the various interests of the community. The Town Administrator and the Superintendent of Schools and their respective staff shall participate in the OSC process but shall not be members of the Committee.

The 2017 Override Study Committee (OSC) shall build upon the strong foundation provided by the 2014 Override Study Committee, the Efficiency Initiative Committee (2009), the Facilities Master Plan for the Schools (2008/2010), and the findings and recommendations of the Brookline School Enrollment and Capacity Exploration (B-SPACE) committee (2013). The 2017 OSC shall complete the following tasks in connection with this Charge:

1. Utilizing the Town's long-range forecast and budget projections, determine the structural budget gap for Fiscal Year 2019 and beyond;
2. Examine school enrollment projections and costs associated with enrollment growth including operational costs associated with the expanded Devotion School, High School and new 9th Elementary School.
3. Assess the adoption and implementation of the efficiencies and best practices identified by prior override study and efficiency committees;
4. Examine potential non-override revenue sources, including costs, feasibility, potential savings and other impacts of potential adoption and implementation;
5. Benchmark Town and School programs, expenditures and revenues with comparable municipalities;
6. Compile data that shows the impact that increased taxes and fees will have on taxpayer and residents;
7. With input from the Town Administrator and School Superintendent, prioritize programs or other expenditures for funding.
8. Analyze the impact to Town and School programs of failure of its recommendations.

The 2017 OSC shall submit a detailed written report of its findings and recommendations no later than February 9, 2018. As the Board of Selectmen determines, the Committee shall remain in place and participate in public forums to communicate its report and recommendations.

The Select Board appointed the following eight Brookline residents to the 2017 Override Study Committee:

- Cliff Brown, Member of the Advisory Committee (Resigned January 6, 2018)
- Betsy DeWitt
- Meggan Levene
- Joseph LiPuma (Resigned November 5, 2017)
- Harold Petersen
- Jeff Rudolph
- Michael Sandman, Member of the Advisory Committee (Appointed January 23, 2018 to Replace Cliff Brown)
- Charles Terrell (Resigned January 10, 2018)

In addition to the above residents, the following three individuals served as ex-officio, non-voting members of the committee:

- Heather Hamilton, Member of the Select Board and Co-Chair
- Ben Franco, Member of the Select Board and Co-Chair
- Julie Schreiner-Oldham, Member of the School Committee

Meetings

The 2017 OSC met a total of 11 times during 2017 and 2018 and invited affected and interested parties to its full committee and subcommittee meetings to help it carry out its charge and in order to hear personal and expert testimony. The committee also met countless times as subcommittees. A complete list of meeting dates can be found in Appendix A at the conclusion of the report. For a complete record of the committee's process, of the documents and information the committee reviewed, and to learn what was discussed at individual meetings, please refer to the committee's webpage (<http://brooklinema.gov/1104/Override-Study-Committee>).

Organization

The 2017 OSC organized itself into three subcommittees to divide the work of the committee more evenly, and to allow for a timely and thorough review of the matters that came before it.

The Override Study Committee organized a municipal, school populations and capital, and school programs subcommittee. The membership of each subcommittee can be found in Appendix B at the conclusion of this report.

Fact Base

The OSC conducted its work in a cordial and constructive manner. There was general awareness and conclusion that:

- Brookline as a town desires to provide the resources necessary to support a high-quality education for students enrolled in the Public Schools of Brookline. Education is the Brookline brand, and the community understands that many are drawn to town by the availability of a high quality public education.
- Assuming existing School Department policies continue, the School Department would be unable to continue educating its enrolled student population with its scheduled FY19 appropriation of \$111.37 million.
- During the 2016-2017 School Year 7,417 students were enrolled in the Brookline Public Schools.
- The Schools' need for additional operating resources is primarily the result of enrollment growth.
- The number of children enrolled in the Public Schools of Brookline has steadily increased during the last decade. Between 2004 and 2018 school enrollment has increased by 29% (1,692 students). This large enrollment increase has significantly stressed the capital and operating resources of the Town and Schools.
- The Town of Brookline has redirected significant municipal financial resources to the School Department since enrollment began to steadily increase in 2007 to help minimize and delay request to the tax base for operating overrides.
- Town departments have delayed or forgone equipment and services in order to provide financial resources to the School Department beyond those allocated through the Town School Partnership formula.
- On the whole, the quality of municipal services remains high, however targeted investments in municipal services are necessary to maintain the level of quality services the taxpayers expect.
- Since the last Override Study Committee in 2014 no significant programmatic expansion has taken place, therefore the 2014 Override Study Committee's observation that there is no "fat" or waste in the Town and School's budget remains true.

Recommendations

Given the identified fact base, and based on the information it was presented and it reviewed, the OSC voted to make the following recommendations:

Recommendation I: It is the opinion of the 2017 Override Study Committee that no significant changes have occurred in the budget management strategies of the Town or Schools since the 2014 committee conducted its examination, and that no significant programmatic expansion has taken place. Therefore, none of the factors that led to the 2014 Committee's conclusion that the Town and Schools are run efficiently have changed, and the 2017 committee did not revisit discussion of this point. Recommendation I passed by a vote of 5-0.

Recommendation II: After reviewing the Public Schools of Brookline and Town of Brookline current overall financial situation, the Override Study Committee (OSC) recommends that the Select Board place an operating override on the May 2018 ballot. Recommendation II passed by a vote of 5-0.

Recommendation III: The Override Study Committee favors a tier of operating override ballot questions to cover Fiscal Years 19, 20, and 21, and recommends the Select Board place such a question on the ballot in May, 2018. Recommendation III passed by a vote of 4-1.

Recommendation IV: The Override Study Committee believes the additional revenue required to fund high quality town and school services should be derived from tax and non-tax sources. Recommendation IV passed by a vote of 5-0.

Recommendation V: The Override Study Committee recommends two "packages" be the choices presented to the voters under the tiered operating override scenario previously recommended. Recommendation V passed by a vote of 5-0.

Recommendation VI: Since the dramatic increase in growth began in 2006, funds have been redirected from the municipal budget to the schools' budget in excess of the amount prescribed by the revenue sharing formula previously agreed to by the town and schools (the Town-School Partnership). Because of the need to "redirect" funds to the School Department to deal with enrollment growth, the Town has not had the funds available to strategically invest in new technology and equipment, and expand services to meet population shifts and demands. The Override Study Committee supports the inclusion of a limited number of Town Department's requests in the questions that will be put before the voters. Recommendation VI passed by a vote of 4-1.

Recommendation VII: The enrollment growth the Brookline Public Schools have experienced is expected to necessitate the expansion of Brookline High School's footprint to provide the classroom and community space necessary to accommodate larger class sizes.

Several members of the OSC attended the High School Building Committee meetings and presentations were made by senior staff regarding general plans for the HS expansion. However, the details of the project's cost and building plans were not reviewed by the OSC nor was such a review part of the charge of the committee. However, the committee was convinced that the high school renovation and expansion project is necessary and supports a debt exclusion question on the May, 2018 ballot. Recommendation VII passed by a vote of 5-0.

Recommendation VIII: The enrollment growth the Brookline Public Schools have experienced during the last decade have necessitated a dramatic increase in its operating budget. The 2018 override would be the third operating override put before Brookline's voters within a decade (2008, 2015, 2018). Continual requests to the voters, while understandable and to this point justified, must be one component of a multi-pronged strategy to fund the necessary expansion of the Public Schools' operating budget. In addition to requests to exceed the levy increase limit imposed by Proposition 2 1/2, the schools must also continue to implement efficiencies and raise revenues. Recommendation VIII passed by a vote of 5-0.

Recommendation IX: Brookline is experiencing a long-term mismatch between expenses and revenue. The School budget pressure that Brookline has experienced in recent memory is a symptom of a larger problem that Brookline, and similarly positioned Massachusetts cities and towns, needs to respond to holistically. In brief, the expenses necessary to operate local government are increasing faster than combined tax and non-tax revenue. Put bluntly, this structural deficit has been recognized in prior Override Study Committee reports and the Town has implemented a number of strategies. Despite the Town's best efforts including strategies to enhance the commercial tax base, the structural deficit remains. Further study to update strategies to reduce or eliminate the structural deficit is necessary, and the elected leadership of the town is urged to tackle this question either by appointing a committee tasked with studying this question or through the acquisition of consultant support. Recommendation IV passed by a vote of 5-0.

The balance of this report describes the work of the OSC and explains the discussions that led to the committee's conclusions. The report contains a summary of findings and describes the analysis and conclusions that support the OSC's recommendations for how the current school department deficit should be eliminated, the need for additional financial resources in the municipal budget, and the programmatic needs of the schools. The report briefly also suggests several steps the Town and Schools should take to generate additional funds (through efficiencies and revenue raising measures) that could minimize the need to return to the voters in the future.

In several instances the Override Study Committee was guided by comparisons to “peer” communities. The communities that served as comparisons are those the Town and Schools have historically used, and are listed elsewhere in the report.

In carrying out its work the Override Study Committee was cognizant of the hardship an increase in property taxes that results from an override may have on some Brookline residents. The OSC approached its recommendation that the voters be asked to approve a tax increase with care, and awareness of the potential hardship a tax increase could cause served as partial motivation for the pyramid structure the committee has recommended.

The funds the Town has “redirected” to the School Department have been a combination of revenues: higher than expected state aid and one-time payments; and funds generated by efficiencies: delaying the replacement of vehicles & equipment and health insurance costs lower than budgeted.

Enrollment Growth

Despite the 2015 Budget Override efforts the Public Schools of Brookline (PSB) continue to experience budget pressures due to continued increases in enrollment, rising special education costs, teacher salaries moving through step progressions, and collective bargaining. Enrollment pressures have an additional impact on capital, as the schools no longer have the physical capacity (from both a K-8 and high school standpoint) to keep up with the rising student population. Since the 2003-2004 school year, the schools have added 1692 students into the system, a rise of 29%. This trend is projected to continue through the 2021-2022 school year when taking currently approved/in progress housing projects into account. Given this trend, both operating and capital costs are increasing.

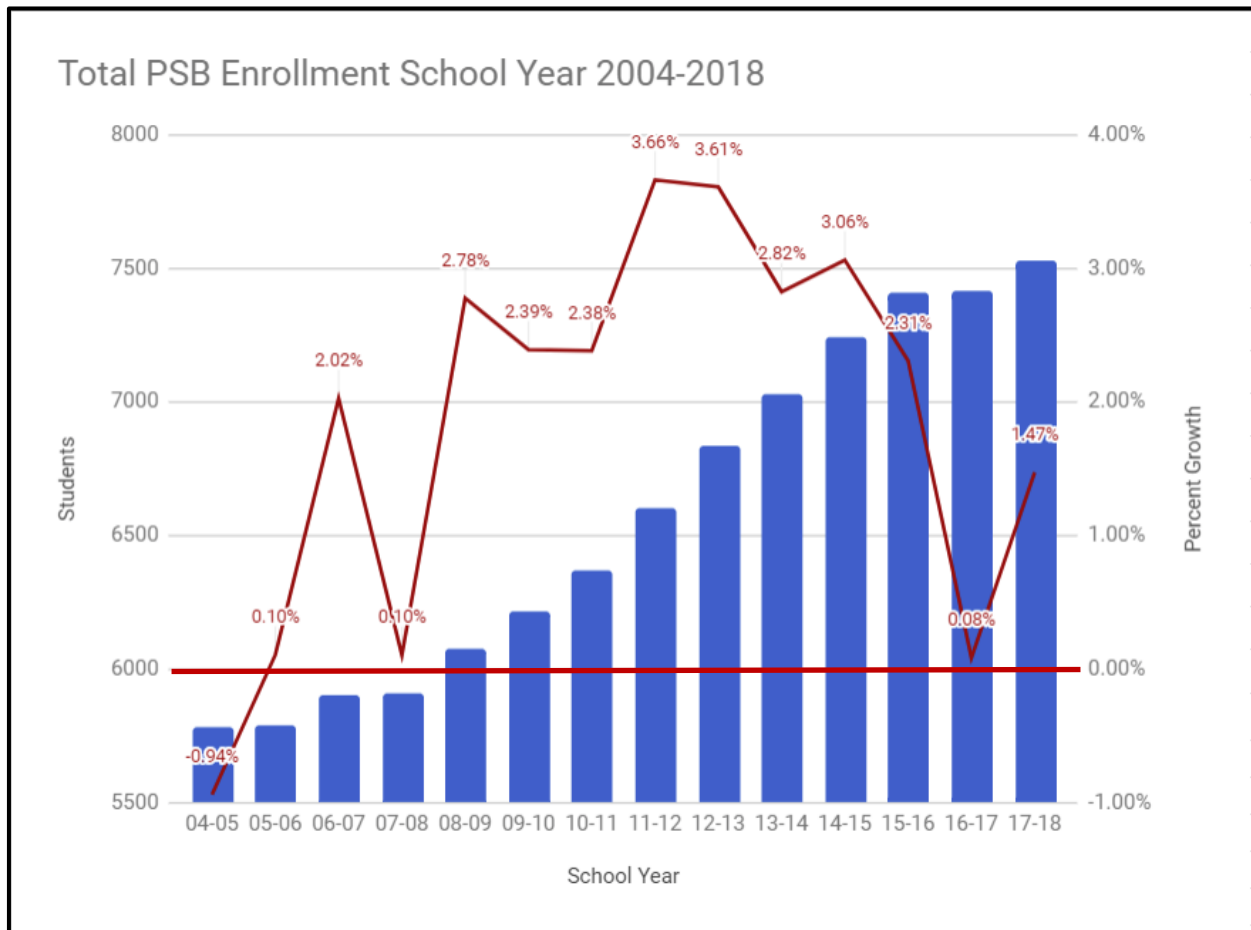
Current Enrollment

Basic economic supply and demand principles continue to be the primary issues facing the PSB - with supply being the space available for students as well as school employees, and demand being the rising student enrollment numbers. In a steady state scenario, assuming no net additions or withdrawals from the entering kindergarten to the graduating class, the number of students entering the system will be offset by equal numbers of students exiting the system. This however has not been the case as can be seen by the following data:

Figure 1. Enrollment Growth, 2004 to 2018

School Year	Kindergarten	12th Graders	Difference	System Enrollment	YOY Difference	YOY Percentage
03-04	396	461	-65	5834		
04-05	418	479	-61	5779	-55	-0.94%
05-06	485	478	7	5785	6	0.10%
06-07	550	475	75	5902	117	2.02%
07-08	495	477	18	5908	6	0.10%
08-09	552	450	102	6072	164	2.78%
09-10	596	437	159	6217	145	2.39%
10-11	545	431	114	6365	148	2.38%
11-12	602	459	143	6598	233	3.66%
12-13	666	432	234	6836	238	3.61%
13-14	631	403	228	7029	193	2.82%
14-15	685	473	212	7244	215	3.06%
15-16	633	446	187	7411	167	2.31%
16-17	582	479	103	7417	6	0.08%
17-18	609	506	103	7526	109	1.47%
Overall increase from 03-04 to 17-18					1,692	29.00%

Figure 2. School Enrollment by Year, 20104 to 2018



(Data from the 2017 Preliminary Enrollment Projection Public School of Brookline 12/22/2017)

The red line in the graph above shows this continued increase as a percentage. In the scenario where students could only enter the system as incoming kindergartners and exit the system as graduating 12th graders, if every year the incoming kindergarten class matched the outgoing graduating 12th grade class the red line would be flat at 0% every year. Since the 2003-2004 school year, the PSB have added 1692 students into the system, a rise of 29%. On average, there were 550 to 600 students in each incoming kindergarten class from FY 2006 onwards. Prior to that year, incoming classes averaged 400 to 425 students. During the same period, the School Committee embarked on a long-term policy of creating equity across all eight K-8 schools, which required allocating additional resources to schools that had previously been less well supported. Thus, the revenues available to the School were stretched by a change in policy and (more importantly) by a change in enrollment levels. Data for 2016-2017 shows a drop in kindergarten enrollment. The Schools' analysis is that kindergarten enrollment declined partly because some children born late in the year and who would have gone to Devotion were held out by their parents while Devotion was being renovated. In addition, a significant number of rental apartments in Hancock Village were taken off the market while they were being renovated.

However, for the 2017-18 School Year, kindergarten enrollment numbers are back over 600 students.

From a supply side the schools are currently limited by a number of factors, including target class size in students, physical classroom sizes, a targeted lunch time period, and physical shared spaces. The School Committee has set a policy for a target class size of 21 students/class in the Brookline K-8 based on research studies. Class size at BHS is targeted for 18-20 students for standard level classes, 25 for honor classes, 24 for science classes (due to physical lab space restrictions), and 27-28 for advanced classes. The PSB K-8 school have approximately 239,252 square feet of classrooms currently spread across eight elementary schools. The School Committee has targeted no more than three lunch periods during the school day between 11:30 A.M. and 1:00 P.M., however all cafeteria, gymnasium, library, nurse offices, and other community spaces across the eight K-8 schools remain almost unchanged from ten years ago.

Figure 3. Enrollment and Operational Impacts By School

School	Enrollment	Classroom Sq.Ft.	# Classes	Classes With >21 Students	Avg Students /Class	Avg Class Sq.Ft./ Student	Cafeteria Seats	Lunch Periods Needed If Using All Cafeteria Seats	# Lunch Periods Today	1st Lunch Start	Last Lunch End	Time Per Lunch Period (m)
Baker	763	33325	39	20.51%	19.56	43.68	200	3.82	4	11:00 AM	1:10 PM	0:32:30
Devotion	801	43473	43	0%	18.63	54.27	350	2.29	3	11:00 AM	12:55 PM	0:38:20
Driscoll	613	24854	28	46.43%	21.89	40.54	150	4.09	5	10:20 AM	12:53 PM	0:30:36
Heath	534	25327	27	29.63%	19.78	47.43	212	2.52	6	10:50 AM	1:20 PM	0:25:00
Lawrence	722	30315	35	25.71%	20.63	41.99	138	5.23	7	11:00 AM	1:30 PM	0:21:26
Lincoln	578	26875	28	21.43%	20.64	46.50	184	3.14	5	10:20 AM	12:45 PM	0:29:00
Pierce	859	29971	41	46.34%	20.95	34.89	200	4.30	5	10:25 AM	12:55 PM	0:30:00
Runkle	612	25198	27	62.96%	22.67	41.17	186	3.29	7	11:00 AM	1:05 PM	0:17:51
Total	5482	239338	268	29.85%	20.46	43.66	1620	3.38	42	10:44 AM	1:04 PM	0:03:20

(Data from the 2017 Preliminary Enrollment Projection Public School of Brookline 12/22/2017)

Table Columns

- Enrollment: Total enrolled students as of 10/6/2017
- Classroom Sq.Ft.: Total square feet of classrooms as measured by PSB
- # Classes: The sum of all K,1,2,...,8 classes in that school
- Classes With >21 Students: Number of classes that have more than 21 students as a percentage of all classes in that school
- Avg Students/Class: Number of students per class if all students in that school were split across all available classrooms (43 sq.ft./student is the MSBA recommendation)
- Avg Class Sq.Ft./Student: All classroom space in a school divided by number of students
- Cafeteria Seats: Max number of seats in the cafeteria as set by Fire Code
- Lunch Periods Needed If Using All Cafeteria Seats: Number of lunch periods needed if all cafeteria seats were filled each lunch period

- # Lunch Periods Today: Number of lunch periods today
- 1st Lunch Start: Time when the first lunch starts
- Last Lunch End: Time when last lunch ends
- Time Per Lunch Period (m): Time in minutes of a lunch period (purely based on end times minus start times divided by number of lunch periods)

Notes

- Classroom sizes vary, sizes above are total for a school. Some rooms will be bigger, some will be smaller
- Shared gym and other spaces are not included, but could have a similar impact like cafeteria space
- 43 sq.ft. of classroom space/student is the MSBA recommendation
- Max number of seats in the cafeteria is set by the Brookline Fire Department/Fire Code

The above table shows that on average the PSB elementary schools are at capacity for number of students per classroom, and have already exceeded the targeted bounds for number of lunches and overall lunchtime window at all schools. Note that the above is already factoring in contributions from expand in place additions that started in 2008 including:

- 6 classrooms built at Heath and cafeteria expanded
- 4 classrooms built at Lawrence
- 2 modular classrooms added at Baker
- 11 BEEP classes moved out of K-8 buildings into leased commercial space
- 4 classrooms in leased commercial space for Pierce
- 1 gymnasium and 1 small gymnasium space at Brookline Teen Center
- 1 brand new school will be built at Devotion to add 12 classrooms
- 4 classroom conversions from existing spaces in FY'18
 - Driscoll fourth section of Grade 3
 - Lawrence fourth section of Grade 6
 - Pierce fifth section of Grade 4
 - Devotion fifth section of Grade 6

These final four conversions are likely the last classroom spaces available without leasing new space. More than fifty staff members have been moved out of BHS into leased space to make room for students, as well as the Help Desk and Educational Technology groups.

Note that the average data values shown above are just that - each classroom and each school has a different number of actual students and student capacity. The PSB work to try and balance out the enrollment across the eight schools based on where students live with a goal of having students live as close to their school as possible, but even with the use of buffer zones that allow administrators to potentially shift around enrolling students, in practice with 5482 students it is

impossible to balance everything out perfectly. The high school currently has 2,065 students enrolled. Based on a maximum capacity of 2150 and a desired “built for 95% utilization” BHS is currently at capacity.

Figure 4. Enrollments in the K-8 Public School of Brookline By Section

School	Section	K	1	2	3	4	5	6	7	8	School	Section	K	1	2	3	4	5	6	7	8
Baker	1	20	22	19	22	17	20	20	19	12	Lawrence	1	23	19	23	21	21	21	19	19	20
Classes >21	2	19	20	19	23	18	20	20	19	18	Classes >21	2	22	19	23	21	21	20	18	21	20
20.51%	3	20	21	19	21	16	20	22	20	18	25.71%	3	21	19	24	22	20	21	20	20	19
	4	19	22	19	22	16	20	23	18	18		4	22	20	21	22	21	22	18		20
	5				22		20			18	Lincoln	1	22	20	20	23	20	21	19	17	20
Devotion	1	18	16	19	19	19	19	19	19	18	Classes >21	2	22	21	21	24	19	23	20	16	20
Classes >21	2	19	17	19	18	19	19	19	20	18	21.43%	3	21	20	21	23	20	21	21	21	21
0.00%	3	19	17	20	19	20	19	18	20	19		4						21			
	4	17	18	19	18	19	18	19	20	20	Pierce	1	22	19	22	21	23	21	20	21	21
	5	19	17	20	18	19	18	19			Classes >21	2	22	20	23	22	23	22	19	21	21
Driscoll	1	20	21	21	20	21	24	25	25	21	46.34%	3	21	19	22	22	23	20	20	22	20
Classes >21	2	20	20	23	19	19	24	25	24	20		4	22	18	23	22	23	22	17	20	21
46.43%	3	21	22	23	22	21	25	25	20	23		5	23	18	21	20	23				
	4				20						Runkle	1	21	20	21	23	26	25	21	21	23
Heath	1	18	16	18	25	21	23	19	20	19	Classes >21	2	20	21	21	24	26	24	22	22	24
Classes >21	2	19	15	22	23	20	23	18	21	18	62.96%	3	21	20	24	24	26	22	22	25	23
29.63%	3	18	14	21	24	21	22	18	22	16	Total	5,490	611	571	631	689	621	660	585	553	569

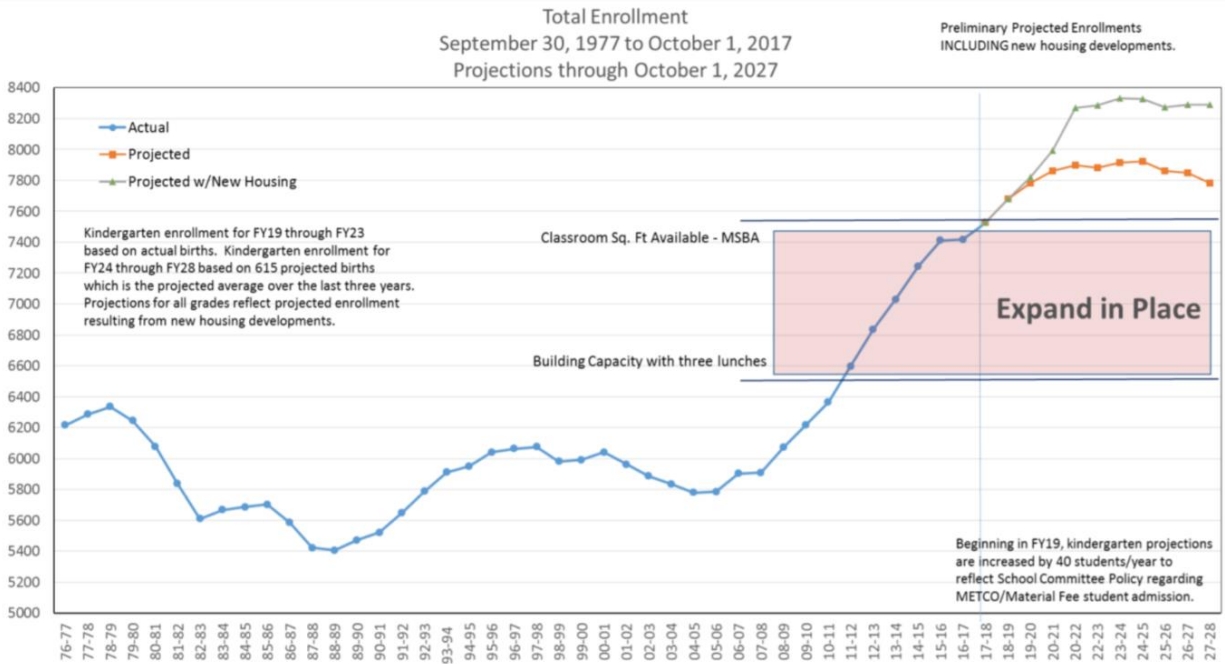
(Data from the Public School of Brookline 10/6/2017)

Future Enrollment

Projecting enrollment into the future is an inexact science at best. The school employs a birth to cohort survival rate using progression rates that are recalculated each year. Current kindergarten enrollment rates are compared to birth rates of mothers living in Brookline. In addition, the schools look at many other studies and methodologies to vet their models, including studying housing capacity (how many students live in what types of housing), third party evaluations such as MGT of America (an educational consulting firm), and their own models year to year. New construction projects are considered in the modeling (PSB considers projects that have at least pulled permits to begin the construction process) and non-resident students have also been added (an average of 20 METCO and 20 Materials Fee) to the kindergarten enrollment projections for FY'19. Keep in mind that some 12th grade METCO and Material Fee students will graduate this May - the projections do not include an overall increase in METCO (set at 300) and Material Fee (under 200) students.

The following graphs show the enrollment projections out to School Year 2027-2028, starting with total enrollment, followed by just K-8 enrollment, followed by just BHS enrollment:

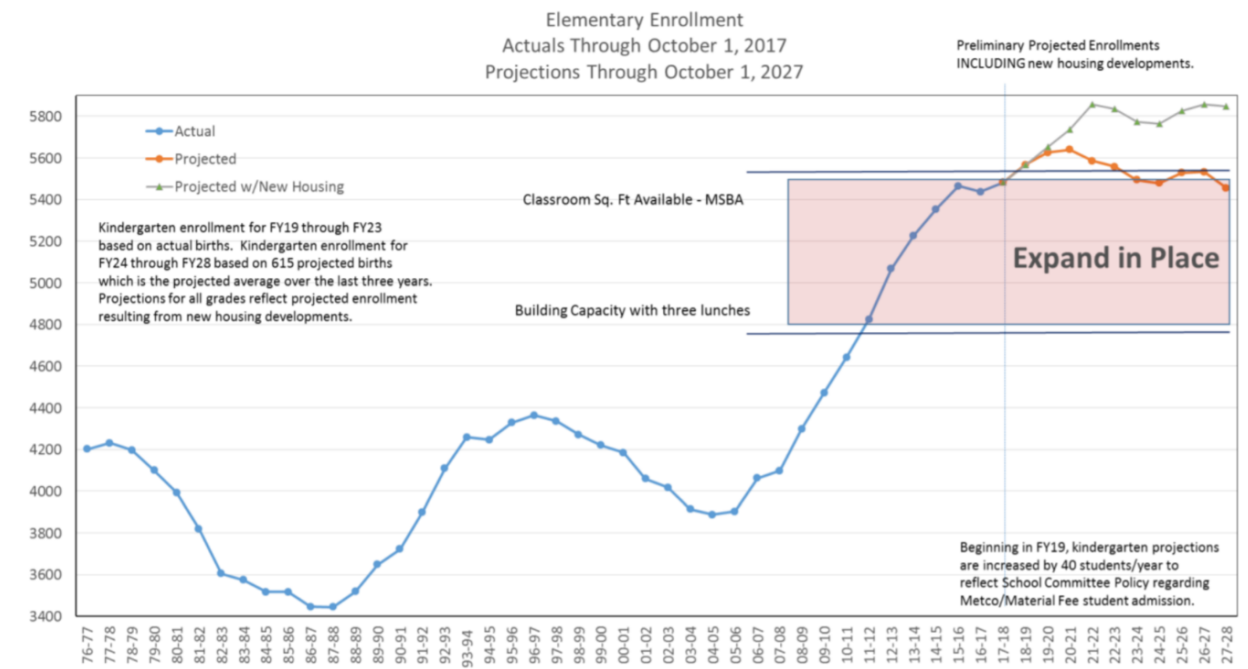
Figure 5. Total Enrollment in PSB 1977 to 2027 (Projected)



Blue: Actual, Orange: Projected without new development, Green: projection with new Development, x-axis is School Year, y-axis is number of students

- Projections do not include: condo/t-zone conversions or students displaced by the current Hancock Village unit renovations.
- “Expand in Place” represents the capacity increases resulting in the work done since 2008 enumerated above

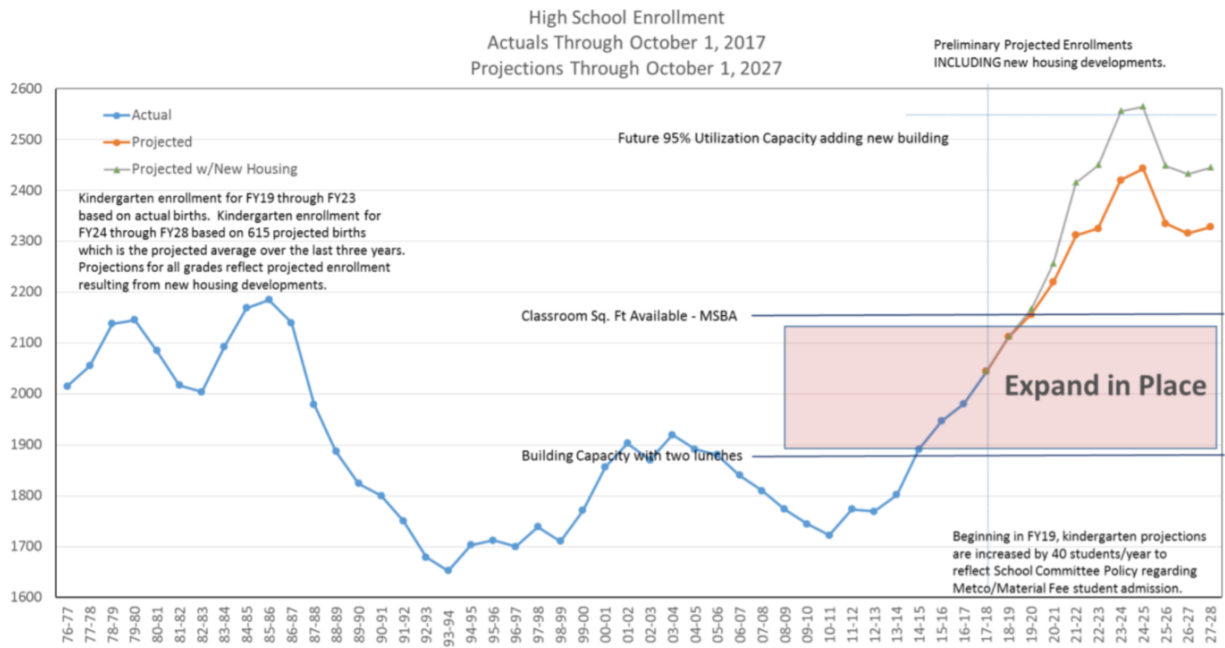
Figure 6. Elementary Enrollment in PSB 1977 to 2027 (Projected)



Blue: Actual, Orange: Projected without new development, Green: projection with new Development, x-axis is School Year, y-axis is number of students

- Projections do not include: condo/t-zone conversions or students displaced by the current Hancock Village unit renovations.
- “Expand in Place” represents the capacity increases resulting in the work done since 2008 enumerated above

Figure 7. High School Enrollment in PSB 1977 to 2027 (Projected)



Blue: Actual, Orange: Projected without new development, Green: projection with new Development, x-axis is School Year, y-axis is number of students

- Projections do not include: condo/t-zone conversions or students displaced by the current Hancock Village unit renovations.
- “Expand in Place” represents the capacity increases resulting in the work done since 2008 enumerated above
- Notice the high enrollment growth from the elementary schools starting in School Year 2008-2009 starting to greatly increase BHS enrollment in School Year 2014-2015
- The “Future 95% Utilization Capacity adding new building” line refers to the current BHS expansion plans that would increase the total capacity of BHS to 2700, resulting in a 2565 95% utilization capacity, an increase of 500 students from current enrollment.

In conclusion, as stated above, the fact remains that enrollment continues to increase showing no signs of reversing.

Ratios of Faculty to Students

Tax revenue increases at 3.0 to 3.5% a year depending on the amount of new growth. That revenue is split between the Town’s operating budget and the Schools. As enrollment rose during the 2000’s, a gap developed between the amount of revenue available to the Schools and the costs of maintaining the ratio of students to professional staff. The School Committee opted to maintain the ratio of students to classroom teachers, and it reduced the ratio of students to other professionals, including nurses, ELL teachers, and guidance staff.

The 2015 override included funds to bring those ratios back up to the levels identified as appropriate by the School Committee. For the 2015-16 school year, the Schools added non-classroom professional staff and restored the student-to-professional ratios for the services that had seen an adverse change in ratio.

Now, in 2018, the sea level increase that the Schools are facing has moved further up the beach, as each incoming class of kindergarten students exceeds the graduating class of high school seniors by 175 to 200 students (excepting FY18, as noted above). It is clear that the enrollment increases projected for the next few years will require more classroom teachers.

In addition, the Schools will not be able to maintain the desired ratios of students to non-classroom professionals unless funding for both classroom staff and non-classroom professionals is provided in an FY 2019-21 override.

One important question is whether the ratios adopted by the School Committee are appropriate. For example, the National Association of School Nurses recommended the following ratios in 2011:

Figure 8. Suggested Ratios By Population Type

School Population	Recommended Ratio
Healthy school populations	1:750
Student populations requiring daily professional nursing services	1:225
Student populations with complex healthcare needs	1:125
Individual students requiring daily, continuous professional nursing services	1:1

Several states recommend overall ratios of 1:750, and that ratio was included in Healthy People 2020 (U.S. Department of Health and Human Services [USDHHS], 2014a). As a practical matter, the NASN estimates that one in four children today come to school with some sort of chronic medical condition, and the Association contends that the 1:750 standard is not appropriate for a typical student population.

Instead of a fixed ratio, NASN recommends an assessment of each district's population based on the following:

- Health behaviors, health condition and disease prevalence, immunization levels;
- Socioeconomic status, employment, education level;
- Housing status, food security, transportation access;
- Social and cultural supports and influences, discrimination;
- Access to healthcare, health insurance, and social services;
- Environmental stresses; and
- Language and communication barriers.

In essence, Brookline follows this guideline. The actual ratio of ~ 1:450 for medical services staff is based on the Mass Dept. of Public Health's recommended ratio of 1:500¹, plus an adjustment upwards for the number of medically involved students and their needs be they in a range of medication administration, diabetes management, or more involved medical supports.

Brookline's actual and (notional) future ratios of students to nurses are:

Figure 9. Ratios in Brookline FY16 to FY21 (Projected)

Budget Year	FY16	FY17	FY18	FY 21
Medical Services FTEs	15.06	15.06	16.76	17.2 (derived)
Total enrollment (01/2017 report)	7411	7417	7526 (12/31/17)	7740 (proj.)
Nurse to student ratio	1:492	1:492	1:447	1:450 (proj.)

Considering that Brookline's approximately 10 percent of Brookline's students have IEPs and another group have Section 504 eligibility, a ratio of 1:750 is not appropriate. The 1:450 ratio Brookline uses seems reasonable, give the State's 1:500 baseline recommendation and the fact that an adjustment has been made by considering the actual mix of students in the district and their medical needs.

A similar table could be constructed for other non-classroom professionals, including ELL instructors and guidance counselors. In each case, the Override Study Committee does not have a point of view on what the appropriate ratios are. But in general, each FTE adds about \$80,000 to the budget (when benefits are included). The cost of retaining the nursing, guidance and ELL specialist ratios at their FY18 levels are summarized below:

Figure 10. Cost of Maintaining Current Ratios

Program	FY18 ratio	FY18 FTEs	FY21 FTEs (est.)
Medical Services	1:447	16.76	17.2
Guidance	1:218	34.3	35.5
ELL	1:252	29.7	30.7
Incremental cost vs. FY 18 per PSB	\$204,080	\$204,080	\$212,242

Additional Staff Needs Due to Capital Growth

Adding supply in the form of opening new schools comes with additional costs both in personnel and non-personnel categories. The Public Schools of Brookline have put together the following estimates to give some idea of that those costs would be:

¹ See <http://www.mass.gov/eohhs/gov/departments/dph/programs/community-health/primarycare-healthaccess/school-health/>

Figure 11. Staff Necessary Due to Enrollment Growth

New Elementary School Preliminary Estimate OPERATING EXPENSES				Expanded Brookline High School (Rates as of End of Contract Year) 700 Student Building			
(Rates as of End of Contract Year) 645 Student Building				(Rates as of End of Contract Year) 700 Student Building			
Title	FTE	Salary	Total	FTE	Salary	Total	
Principal	1.00	\$ 143,263	\$ 143,263	-	\$ 143,263	\$ -	
Vice-Principal/Dean	1.00	\$ 83,942	\$ 83,942	2.00	\$ 103,442	\$ 206,883	
Secretary (GR7-5)	1.00	\$ 60,466	\$ 60,466	1.00	\$ 60,466	\$ 60,466	
Senior Clerk (GR4-5)	1.00	\$ 39,415	\$ 39,415	1.00	\$ 39,415	\$ 39,415	
Building Aide	1.00	\$ 40,000	\$ 40,000	1.00	\$ 40,000	\$ 40,000	
NU Aide	-	\$ 15,000	\$ -	-	\$ 15,000	\$ -	
Nurse (M-5)	1.42	\$ 70,701	\$ 100,325	1.00	\$ 70,701	\$ 70,701	
Guidance (M-5)	2.58	\$ 70,701	\$ 182,409	1.00	\$ 70,701	\$ 70,701	
Library (M-5)	1.29	\$ 70,701	\$ 91,204	0.50	\$ 70,701	\$ 35,351	
Tech	1.50	\$ 70,000	\$ 105,000	1.50	\$ 70,000	\$ 105,000	
Custodial	3.00	\$ 50,000	\$ 150,000	2.00	\$ 50,000	\$ 100,000	
Food Svcs	1.60	\$ 30,000	\$ 48,000	1.60	\$ 30,000	\$ 48,000	
Sub-Total Salaries	16.39		\$ 1,044,023	12.60		\$ 776,517	
Benefits (@35%)			\$ 365,408			\$ 271,781	
Total Personnel Costs			\$ 1,409,431			\$ 1,048,298	
Repair & Maint			\$ 75,000			TBD	
Utilities			\$ 120,000			TBD	
Transportation per bus			\$ 80,000			\$ 80,000	
Operation Supplies & Materials			\$ 322,500			\$ 140,000	
Sub-Total Non-Personnel			\$ 597,500			\$ 220,000	
GRAND TOTAL			\$ 2,006,931			\$ 1,268,298	

Special Education Program

Special Education (Students with Disabilities or “SWD”) students are those with Individual Education Plans (IEPs). A student is eligible for an IEP when he or she requires “specially designed instruction” in order to access the curriculum. Brookline is responsible for the education of children with IEPs from age 3 to age 22.

Section 504 accommodation refers to the federal Rehabilitation Act of 1973, the precursor of the ADA. Section 504 students do not need special instruction to access the curriculum. The accommodations are often small changes that might include sitting up front near the teacher, taking frequent breaks, or extra time on tests. The additional costs for Section 504 students may be modest or even minimal if the only requirement is a change in that student’s classroom routine, but costs for some types of assistance are substantial. Future budgets will break out Section 504 costs as a separate program.

Section 504 students may be eligible for free transportation even when they live close to school, depending on their particular disability.

The Special Education and 504 Accommodation programs are administered by the Office of Student Services. The office is headed by a Deputy Superintendent of Student Services and in FY18 it included a total of 3.35 FTEs at a cost of \$340,069.

The FY18 special education budget includes a total of 358.9 FTEs at a cost of \$27,621,601, so the total budget for special education in FY18 was \$27,991,670 not including the cost of benefits, or about a quarter of the total amount allocated to PSB by Town Meeting. The cost of benefits, which is included in the Town operating budget dollar, add approximately \$10,980 per FTE, or an additional \$3,978,000 (approx.) to the cost of special education.

PSB's budget projections assume that the number of students with IEPs and 504 accommodation requirements will increase in synch with the overall increase in enrollment. Looking forward three years, PSB does not anticipate adding SWD staff beyond a proportional increment due to enrollment increases. The cost increases associated with SWD for FY19 through FY 21 are related to increases in pay as staff members move up through steps and lanes, and to increases in paraprofessional pay that were included in the 2017 labor contract and were widely supported by Brookline residents.

One of the commonly heard statements about the population of SWD students is that families move here in disproportionate number to take advantage of Brookline's excellent programs. In actuality, the percentage of SWD students in Brookline is in keeping with state-wide averages and with peer communities. It is true, however, that Brookline's proximity to the Longwood Medical Area attracts families whose children have medical needs. Those children may be more expensive to support in school, but Brookline is not a "magnet" for parents with special needs.

Another commonly heard statement is that the number of SWD students in METCO is disproportionate, and that Brookline bears a high cost. Brookline does pay for in-district costs of METCO students, but the out of district costs of students are covered by the school districts in which they reside, not by the host community. (This applies to both Materials Fee and METCO students.)

Out-of-district tuition

Currently approximately 60 students are placed out of district in programs for which Brookline pays tuition costs. Over the last several years, Brookline has added in-district programs in a concerted effort to reduce the number of Special Ed students that are placed out of district. In 2016, the Advisory Committee estimated that the net savings from this initiative was approximately \$1 million per year. Those savings continue annually, but the effort has achieved as much of a reduction as is likely to occur. We do not anticipate further reductions in out of district placements, and in fact enrollment growth may result in a slight increase. Tuitions for out-of-district placement are projected to rise by 5% each year.

PSB's administration has been working to identify redundancies in the SWD program. For example, there may be similar programs in more than one school that could be combined. In response, some slots have been combined, thereby freeing a SWD staff member to pick up another assignment. This process is described in detail on Page 118 of the FY18 PSB

budget. The process and related efforts at rationalizing the delivery of SWD is likely to be a factor in keeping the total number of FTEs at FY 18 levels in FY19.

METCO & Materials Fee Program

METCO

The School Committee recently reaffirmed its commitment to hosting a total of 300 METCO students. The circumstances around METCO have not changed substantially since the 2014 OSC report, but we believe it is important to provide a clear picture of the program's costs, both in the aggregate and for typical residential taxpayers. The same imperative applies to explaining the cost of the Materials Fee program.

The School Committee's position is that those METCO students are important not just because of the educational value offered to Boston students, but also because it significantly increases diversity in Brookline's schools. Beyond that, the OSC would view any reduction in METCO as being not just educationally but also socially unacceptable.

METCO (Metropolitan Council for Educational Opportunity) brings a total of 300 students to Brookline from Boston. METCO enrollment has remained static while enrollment has grown, so some classrooms do not include a METCO student. The METCO program was initiated in 1966 in response to *de facto* school segregation in Boston. Brookline was one of seven communities to join the program at its inception. Currently there are 33 participating school districts in the greater Boston area, and another four districts in the Connecticut River valley region accept students from Springfield. In FY 2016, state data showed that 3262 students were enrolled statewide, including 112 in Western Mass., so Brookline accepts slightly less than 10% of the total number of Boston students who are in the METCO program.

State data for FY 18 shows that Brookline received \$1,509,872 in grants and reimbursements for METCO including \$315,884 for transportation, leaving \$1,193,998 to offset the direct costs of education, or \$3,980 per student. This level of reimbursement is far below the \$15,000 "long term incremental cost per student" estimated by the 2014 Override Study Committee. One could re-work or challenge that number, but given the rigorous effort the 2014 OSC made we have used it in our calculations.

It is important to note that state grants for METCO students are less than 40% of the amount the state provides to cover the tuition of Boston students who attend a charter school. Those reimbursements are governed by the School Choice law.

METCO's agreement with Brookline provides that Brookline can accept students on a space-available basis. PSB's administration states that METCO students are not assigned to classrooms that have more than the target number of students for a particular grade level. There are 300 K-12 classroom seats in Brookline occupied by METCO students.

Materials Fee

The Materials Fee program began in 1987-88 (FY88). The program accepts the children of non-resident PSB employees and, depending on space availability, the children of non-resident Town employees. Parents are charged an annual fee of \$2,888 and amount that equals 19.25% of the long term incremental cost of education (per the 2014 OSC report). Tuition has been raised by 3% each year. The total number of materials fee students is shown below:

Figure 12. Recent History of the Materials Fee Program

FY	Number of Applicants	Number Accepted	% Accepted	# in K-8	# in BHS	Total # Enrolled	School Staff	Town Staff
13	28	28	100%	136	32	168	130	38
14	29	26	100%	144	34	178	138	40
15	37	33	100%	162	40	202	154	48
16	35	21	60%	146	46	192	154	38
17	31	15	49%	133	49	182	148	34
18	54	38	71%*	151	51	202	167	35

* Ten applicants withdrew; 6 were denied entry

Source: PSB data

The assumption behind the Materials Fee program is that parents employed by PSB or in Town hall would prefer to have their children educated near where they work, and that the program is an attractive fringe benefit that improved Brookline's ability to recruit highly qualified employees. Nonetheless, at the current tuition level, the net cost of educating each child adds more than \$12,000 to the effective cost of employing of non-resident staff whose children attend Brookline schools, assuming one child per employee. An employee with two children is receiving a benefit of ~ \$24,000.

As with METCO, PSB states that students are assigned to classrooms in a way that minimizes the impact on target class sizes.

Cost Summary

The following table summarizes the net incremental cost per student in dollars and as a percentage of the FY18 tax levy. If in fact METCO and Materials-Fee students are only assigned to classrooms where there is available space, then the incremental cost is far less than this.

Figure 13. Cost of METCO Program

Program	# of students	Incremental cost per 2015 OSC	Offsetting grants & fees, FY18*	Net incremental cost	Net program cost	% of total tax revenue	Impact on \$10,000 tax bill
METCO	300	\$ 15,000	\$ 5,033	\$ 9,967	\$ 2,990,128	1.4%	\$ 142
Mat'ls Fee	200	\$ 15,000	\$ 2,888	\$ 12,112	\$ 2,422,400	1.1%	\$ 115
					\$ 5,412,528	2.6%	\$ 256
* For METCO, data includes transportation reimbursement of \$315,884							

Note that the out-of district special needs costs associated with METCO and Materials Fee students are covered by the school districts in which they reside, not by the host community. In-district program costs are covered by Brookline.

Non-resident International Students

The Schools host approximately 65 international students each year, most of whom are residents. A small number remain non-residents and pay tuition at a level that approximates the actual average cost per student.

Budget Landscape

Context

An accounting of the total expenditure of public resources and receipt of public dollars in the Town of Brookline can be found in two financial documents - the Town's Financial Plan and the School Budget. The Town's Financial Plan details the short- and long-term financial plans of Brookline's municipal government, including the expenditure of operating and capital funds. The School Budget details the operations of the school, and provides information about personnel and programmatic. Again, to get a full picture of public expenditures and revenues in the town one must read both documents.

The need to consult two "budgets" is a quirk of the structure of town government in Massachusetts. Towns and schools operate in parallel without overlapping legal jurisdiction. The School Committee - the group of elected residents that have local legal oversight of the system - has no authority over Town expenditures, and the Select Board - the chief elected officers of Brookline's municipal government - lack jurisdiction over school expenditures. The one exception is Town Meeting - the legislative branch of municipal government in Brookline - has overall appropriation authority over the School Department but lacks line item authority. Practically, Town Meeting is responsible for giving the School Committee the amount of money necessary to run the schools, but cannot prescribe the particulars of how those funds are spent or obligated.

Town School Partnership

In May, 1995 the Town Administrator and the Superintendent of Schools, after consultation with their respective elected boards, signed a Memorandum of Understanding that established guidelines that result in an "equitable" and "understandable" division of financial resources based on experience and cost allocation. The Partnership uses a formula that essentially splits increases (or decreases) in revenue and then makes adjustments to account for unique or extraordinary expenses. In recent memory, "unique or extraordinary expenses" have included the rapid increase in school enrollment and steep increase in special education costs. The practical result of these adjustments has for the last decade been to shift financial resources to the School Department from the Town that during "normal" times would have been used to fund investments via the municipal budget.

Budget Pressures

The School Department's preliminary FY19 budget projects a deficit of \$6.23 million dollars and increasing deficits in the out years. Despite extraordinary School Department budget growth, the

Town has been able to present balanced budgets for the last decade using its share of the existing tax levy, non-tax revenue raising measures, and efficiencies plus Proposition 2 ½ overrides. Several factors have contributed to the schools' projected deficits the most pressing of which is enrollment growth. The municipal budget has been subject to many of the same pressures as have plagued the schools. Many of the school and town budget drivers have been previously identified and efforts have been underway to actively monitor and manage their impact. The most pressing of the factors follow:

- Enrollment growth
- Declining state aid
- Rising health insurance costs, especially the 83 percent/17 percent premium split between the Town/Schools and employees
- Long-term Mismatch Between Expenses and Revenues

Budget Management Strategies

The Town and Schools have actively managed their respective budgets. An in-depth accounting, and review, of the various strategies and efforts that have been undertaken was conducted by the 2014 Override Study Committee. The 2014 committee found no “identifiable waste or ‘fat’” in each of the budgets they examined.²

It is the opinion of the 2017 Override Study Committee that no significant changes have occurred in the budget management strategies of the Town or Schools since the 2014 committee conducted its examination, and that no significant programmatic expansion has taken place. Therefore, none of the factors that led to the 2014 conclusion have changed, and the 2017 committee did not belabor discussion of this point.

FY19 Budget and Beyond

The balance of this report summarizes the information the Override Study Committee collected and provides:

- Detailed information about the identified structural gap in the School budget and needs in the municipal budget;
- A proposal for how to fund the most pressing needs the OSC was presented with and for how to structure the ask;
- Suggested steps that could be utilized to minimize the size of future deficits and delay the need to ask the voters to override Proposition 2 ½ in the future.

² P. 8 of 2008 OSC Report

Additional detailed information can be found in the appendices at the end of this report, or in the supporting documents the report references.

Town and Schools Budgets

State of Play

As of the delivery of this report, the preliminary School Department budget anticipates a \$6,233,430 increase over the Brookline Public Schools FY18 budget. The largest component of the request (\$3.5 million) is attributable to the cost of paying existing staff the collectively bargained 2% compensation increase and 3% steps and lane (seniority) advancement. The second largest component of the year-over-year requested increase (\$1.25 million) is due to the cost of hiring additional staff to meet enrollment growth: maintain class sizes and appropriate ratios for nursing, English Learner instruction, guidance, and administration. An additional \$356,386 shortfall is attributable to increasing service costs: rising in-district transportation costs for students with and without disabilities, and the increased cost of providing Section 504 services. Finally, the Schools' FY19 budget requests \$1.1 million to pay for "Critical New Investments" in district-wide equity programming, increased supplies and materials purchasing, and bus transportation for Brookline High School. A portion of the year-over-year increased budget request will be offset by a normal increase in the base appropriation and revenues available to the School Department. As a result of this fact, the delta between the schools' budget request and the financial resources available to the schools is \$3.75 million.

Table 1. Breakdown of School Department FY19 Budget Proposal

Budget Category	Requested Budget Increase
Personnel	\$3,506,891
Enrollment Growth	\$1,256,121
Service Cost Increases	\$356,386
Critical New Investment	\$1,114,032
Total	\$6,233,430

The total FY19 budget request by the schools is an increase of \$6,233,430. After Town School Partnership Revenues are accounted for, the gap between the schools' request and FY19 funding already in place shrinks to \$3,759,638.

Table 2. Summary of School Revenues

Revenue Sources	FY 2018	FY 2019
Base Levy/Appropriation - Schools	\$ 101,025,886	\$ 104,758,343
Base Levy/Appropriation - Public Bldgs		
Town School Partnership Revenue	\$3,732,457	\$ 3,719,087
School Revenue Offsets	\$4,130,376	\$ 2,894,081
Total Appropriation + Revenue Offsets	\$ 108,888,719	\$ 111,371,511

A draft municipal budget was not available to the OSC for its review prior to the committee's reporting deadline. However, the committee was told that the Town currently possesses the revenues and tools necessary to enable it to deliver a balanced budget. In fact, late in the OSC process the committee learned that a more favorable than expected state aid proposal was included in the Governor's budget proposal and a smaller than anticipated increase in health insurance costs could place the Town in an even more favorable position. The higher than expected revenues and lower than expected expenses would allow the Town to shift \$500,000 in budget capacity to the School Department, beyond what is called for in the Town School Partnership, to help the schools mitigate the size of its identified structural deficit.

In summary, the School Department has identified a FY19 deficit of \$3,770,638 and the Town is able to deliver a balanced budget.

No-Override Scenario

Should an override not be placed on the ballot, or if a question(s) were to fail to pass, the town and schools will need to use existing resources, non-tax revenues, or efficiencies to balance their budgets. The OSC spoke with the schools on several occasions about where cuts might be made and where new revenue could be collected. The schools, however, have not passed a final budget as of the date of this report, and the plans described here are subject to change through the schools' budget process. With that said, the following is an important perspective on the impact a no-override budget would have on the operations of the schools.

Impact on the Town

The Town is able to deliver a balanced budget without an override and, therefore, a no-override result would not automatically require action. Additionally, there are no plans to shift municipal financial resources to the School Department (beyond the \$500,000 transfer already proposed through the Town School Partnership process) in the event an override is not passed; the OSC would not support cuts to the municipal budget should an operating override fail. Therefore, no Town side service reductions would result from non-passage of an override question(s).

Impact on the Schools

The Schools are unable to continue providing the current level of service without additional revenue. As of the drafting of the OSC's report, the Schools' identified structural deficit in FY19 is \$371,415 (contractually agreed to 2% salary and 3% steps and lanes increase). When the School Department's FY19 enrollment and service cost increases related expansion, requests are added to the structural deficit the unfunded gap increases to \$2.15 million. Finally, when the Schools' so-called "Critical New Investment" requests are considered the identified FY19 gap increases to \$3.75 million. The draft no-override budget the School Department provided to the OSC assumes reductions would be necessary to close the complete \$3.75 million gap. No breakdown of the steps that would be taken to close a smaller gap was provided.

As of the delivery of this report, the School Department has identified cuts of \$3.62 million out of the necessary \$3.75 million that would be necessary to close the full gap between existing FY19 resources and their full request. The additional reductions necessary to close the full \$3.75 million gap will require programmatic changes and FTE reductions beyond those already identified. The raising of additional revenue is not being contemplated by the School Department to fill any portion of the identified shortfall. The following chart provides information about the schools' current no-override plan.³

Table 3. Impact of School Department's No-Override Budget

Program Area	Cost Savings	Potential Reduction/Impact
Reductions to School-based Staff	\$819,878	20.0
Reductions to Critical New Investments	\$1,206,475	2.5
Reductions to Student Services	\$465,777	5.6
Reductions to School, Teacher, and Family Support	\$441,405	3.0
Reductions to Technology	\$275,000	0.0
Revised Assumptions	\$418,033	0.0

³ For details see a memo from Superintendent Bott to the School Committee dated January 31, 2018 (Revised on February 1, 2018).

Additional Considerations

The 2017 Override Study Committee urges the Select Board to continue the long-standing practice of balancing operating override asks to the voters with non-tax revenue raising measures. For details see the Financial Policy Recommendations section of this report.)

In December, 2017 a package of federal tax reforms – formally known as The Tax Cuts and Jobs Act - was passed into law and signed by the President. The new tax reform rules made various changes to the tax code for individual taxpayers, one change of particular note was the increase in the standard deduction. Beginning in tax year 2018 the standard deduction will increase to \$12,700 for individual taxpayers and \$24,000 for couples (from \$6,350 and \$12,700, respectively, in tax year 2017). The doubling of the standard deduction is widely expected to increase the number of taxpayers that take the standard deduction, and decrease the number of filers that itemize their taxes.

The Tax Cuts and Jobs Act also introduced a limit on the amount of state and local taxes (SALT) filers may deduct from their tax returns, assuming they continue to file an itemized return. Beginning in tax year 2018 individual taxpayers will be limited to \$10,000. This figure is not indexed for inflation. Formerly taxpayers could deduct all their state and local property taxes from their federal return without limit.

The impact of the doubling of the standard deduction and the capping of the deductibility of state and local taxes is unknown, but it is widely assumed that the two changes will decrease the willingness of taxpayers to increase state and local taxes. The increasing the standard deduction and capping the deductibility of state and local taxes institutes a literal cost that must be borne by taxpayers anytime taxes are increased. Some observers argue that changes to the Alternative Minimum Tax (AMT) mitigate the impact of the SALT cap. The Committee did not discuss this argument.

The impact of changes to federal tax law on an operating override question in Brookline are unknown, and the 2017 Override Study Committee did not attempt an analysis or undertake prolonged discussion of the topic. The committee noted that the median single-family tax bill in FY17 was \$11,684; above the \$10,000 limit on deductibility. Practically this means the average single-family homeowner will no longer be able to deduct any of their state income taxes on their federal tax return. The committee believes this fact is worthy of consideration when contemplating whether to go to the voters for permission to increase the tax levy above the maximum 2.5% allowed by law, and when deciding what the size of any ask should be.

Capital Projects

Three capital projects that will benefit the schools and help to address school enrollment increases are at varying stages of approval and construction. The voters' approval of debt exclusions has, or will, be necessary to cover varying portions of these projects costs. The three projects: 1) renovation and expansion of the existing Devotion School; 2) renovation and expansion of Brookline High School; and 3) the construction of an elementary school solution; will increase property tax bills in the next several years and needs to be acknowledged when considering an operating override.

Devotion School

In May, 2015 the voters of Brookline approved a temporary tax increase to pay for the debt and debt service necessary to undertake the renovation and expansion of the Devotion School. Following approval of the Devotion debt exclusion question, the voters are responsible for funding approximately \$49.88 million of debt and the accompanying debt service. The cost of the previously approved Devotion School project will become visible in property tax bills beginning in FY19, and at the time of its approval it was estimated it would cause a 1.9% property tax increase.

There are expected to be minimal immediate operating budget impacts from the opening of the new Devotion School in fall 2018. A minimal increase in the funds necessary for repair and maintenance of the facility is expected immediately, mostly to address increased building system complexity and testing requirements, but given the "newness" of the building, no major repair work is anticipated. There is also expected to be an operating budget reduction following the school's opening due to the elimination of a 1.0 FTE administrator that will no longer be required with the consolidation of the current two site Devotion back to one.

Brookline High School

Long term enrollment growth trends are expected to fully impact the high school during the next few years. Prior to its full impact being felt, the high school footprint will need to be expanded to provide the space necessary to educate the anticipated larger class sizes. As of the delivery of this report, a final project cost had not been determined. The current plan is for \$35 million of the high school's renovation and expansion cost to be absorbed by the Town's existing capital budget and for the balance to be financed through a property tax increase.

While a final building design was not available for the Override Study Committee to consider prior to the delivery of the its report, a portion of the operating budget implications of an expanded, and partially renovated, high school were made clear to the committee.

Due to the lack of finality about building design, the committee was unable to determine the marginal increase in utility and building operations costs that will result from a larger high school footprint. Assumptions have been made about increased energy costs and about the need for additional building maintenance, and these assumptions form the partial basis for the request for an increase in the building services appropriation carried in the school's budget.

The Override Study Committee was able to have a detailed conversation about increased personnel expenses connected to the expanded high school. The need for additional high school staff is solely a function of increased enrollment and not due to building design. The personnel expenses will come in two waves - pre- and post-opening of the new building. With that important caveat, when fully brought online the expanded high school will require an additional 12.60 FTEs. These additional FTEs are expected to add \$1.04 million to the operating budget (this figure includes both salaries and benefits).

The full \$1.04 million increase in personnel costs has not been included in the operating override recommendation of the 2017 Override Study Committee. The expanded high school is not expected to become fully operational until after the three-year time period covered by the recommended override. The 2017 Committee recommendation contains funding for 4.00 FTEs - \$264,000 dollars in salary and benefit expenses - that the School Department has identified as needed immediately to deal with increased enrollment. (Please see the Enrollment chapter for the details.)

Table 4. Pre-Expanded BHS Opening Positions:

Title	FTE	Salary	Total
Vice Principal/Dean	1	\$103,442	\$103,442
Secretary	1	\$60,466	\$60,466
Custodial	2	\$50,000	\$100,000

The funding for the remaining 8.6 FTEs - \$784,298 in salary and benefits - that are projected to be necessary to operate an expanded high school has not been identified. It is the Override Study Committee's assumption that the expense associated with additional staff will be funded either through the School Department's existing appropriation at the time hiring takes place or through a future operating override.

Elementary School Solution

Enrollment growth has put pressure on the footprint of Brookline's eight existing elementary schools. Starting in 2008 Brookline began considering strategies to relieve space pressure. Initially an "expand in place" strategy was pursued in which classrooms were added to existing

schools through the division of classrooms; conversion of offices, locker rooms, and hallways into classrooms; renting of private buildings; and building of new classrooms or adding of modular classes. In 2015, the expand in place approach was stopped and the decision was made to pursue the construction of a ninth elementary school. In late 2017, after two years of discussion of a standalone building, the concept of expand in place was reintroduced. As of the writing of this report, no decision has been made about the form an elementary school solution will take or where expansion will take place. Refinement of the options available to the community is expected in spring 2019. The expectation is that the voters will be asked at a future date to agree to accept higher property taxes as a means of financing the capital expense of the operating cost of the elementary school solution, regardless of the details or form it takes.

Tax Impact

The three capital projects discussed in this section will each have varying impacts on Brookline taxpayers' property tax bills regardless of the outcome of a vote on an operating override. Below are snapshots of the impacts of the Devotion and BHS expansion projects on various types of taxpayers. The potential tax impact of an elementary school solution is not shown here. Because it unclear whether an expand in place or a new school approach will be pursued it is impossible to provide an informed assumption about project cost; any number provided would be speculative. Note that an assumption has been made about the BHS expansion project's cost; the assumption is based on the most recent available information. All tables use the median tax bill.

Impact of Devotion Project

(Assumes 5 percent interest rate, and \$49.6M debt exclusion with borrowing beginning in FY19)

Total Levy	\$211,233,230	\$222,403,183	\$229,577,776	\$236,353,849	\$244,274,715	\$252,393,601	
Total Levy as % Increase	3.53%	5.31%	3.30%	3.01%	3.40%	3.37%	
Total Levy Minus New Growth as % Increase	2.50%	4.31%	2.33%	2.08%	2.50%	2.50%	
Prop 2 1/2 Increase	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	
Override Increase	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Capital Increase	0.00%	1.81%	-0.17%	-0.42%	0.00%	0.00%	
Capacity To Pay Max Percentage	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	
CTP Minus Total Levy Minus New Growth Percentage	3.5%	1.7%	3.7%	3.9%	3.5%	3.5%	
Annual Property Tax Impact (Increase in Yearly Bill)							
w/Residential Exemption							TOTAL FY'19-'24
SingleFamily	\$288	\$498	\$269	\$240	\$288	\$288	\$1,871
Condos	\$116	\$201	\$109	\$97	\$116	\$116	\$755
2&3 Fam.Homes	\$324	\$559	\$302	\$269	\$324	\$324	\$2,100
Apartments	\$448	\$773	\$418	\$372	\$448	\$448	\$2,906
Mixed Res/Comm	\$260	\$448	\$242	\$216	\$260	\$260	\$1,685
Affordable Condos	\$5	\$8	\$4	\$4	\$5	\$5	\$30
All Parcels with Residential Exemption	\$174	\$301	\$163	\$145	\$174	\$174	\$1,131
wo/Residential Exemption							
SingleFamily	\$416	\$719	\$388	\$346	\$416	\$416	\$2,702
Condos	\$138	\$237	\$128	\$114	\$138	\$138	\$892
2&3 Fam.Homes	\$370	\$639	\$346	\$308	\$370	\$370	\$2,404
Apartments	\$697	\$1,203	\$650	\$579	\$697	\$697	\$4,522
Mixed Res/Comm	\$278	\$479	\$259	\$231	\$278	\$278	\$1,802
Affordable Condos	\$36	\$61	\$33	\$30	\$36	\$36	\$231
All Parcels without Residential Exemption	\$164	\$282	\$153	\$136	\$164	\$164	\$1,062

Impact of BHS Project

(Assumes 5 percent interest rate, \$16M to Acquire 111 Cypress Street, and \$165M debt exclusion with borrowing for 111 Cypress Street beginning in FY19 and the high school project in FY20)

Total Levy	\$211,233,230	\$218,883,941	\$238,900,929	\$245,677,002	\$253,597,868	\$261,716,754	
Total Levy as % Increase	3.53%	3.64%	9.20%	3.01%	3.40%	3.37%	
Total Levy Minus New Growth as % Increase	2.50%	2.64%	8.24%	2.08%	2.50%	2.50%	
Prop 2 1/2 Increase	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	
Override Increase	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Capital Increase	0.00%	0.14%	5.74%	-0.42%	0.00%	0.00%	
Capacity To Pay Max Percentage	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	
CTP Minus Total Levy Minus New Growth Percentage	3.5%	3.4%	-2.2%	3.9%	3.5%	3.5%	
Annual Property Tax Impact (Increase in Yearly Bill)							
w/Residential Exemption							TOTAL FY'19-'24
SingleFamily	\$288	\$305	\$950	\$240	\$288	\$288	\$2,359
Condos	\$116	\$123	\$383	\$97	\$116	\$116	\$951
2&3 Fam.Homes	\$324	\$342	\$1,066	\$269	\$324	\$324	\$2,648
Apartments	\$448	\$473	\$1,475	\$372	\$448	\$448	\$3,663
Mixed Res/Comm	\$260	\$274	\$855	\$216	\$260	\$260	\$2,124
Affordable Condos	\$5	\$5	\$15	\$4	\$5	\$5	\$38
All Parcels with Residential Exemption	\$174	\$184	\$574	\$145	\$174	\$174	\$1,425
wo/Residential Exemption							
SingleFamily	\$416	\$440	\$1,371	\$346	\$416	\$416	\$3,406
Condos	\$138	\$145	\$453	\$114	\$138	\$138	\$1,125
2&3 Fam.Homes	\$370	\$391	\$1,220	\$308	\$370	\$370	\$3,031
Apartments	\$697	\$736	\$2,295	\$579	\$697	\$697	\$5,701
Mixed Res/Comm	\$278	\$293	\$915	\$231	\$278	\$278	\$2,272
Affordable Condos	\$36	\$38	\$117	\$30	\$36	\$36	\$291
All Parcels without Residential Exemption	\$164	\$173	\$539	\$136	\$164	\$164	\$1,338

Long-Term Structural Gap

Since the implementation of Proposition 2 ½ in 1981 the Town and School budgets have experienced continuous pressure. The cause of the pressure is that expenses have, on average, increased faster than property tax collections over the long-term.

The rapid increase in the school populations is the most recent specific cause of pressure. The budget pressure caused by the enrollment increase is serious and it has exacerbated the situation, but is a symptom of a larger systemic problem. Previous cost pressures have included the need to undertake deferred maintenance (the 1994 and, a portion of, the 2008 overrides), and to implement best practices, and expand and improve services (a portion of the 2008 and the entire 2012 override).

Brookline has been able to bear the increased cost of providing government services in spite of the small year-over-year property tax increase allowable under Proposition 2 ½ through a combination of good fortune, targeted growth of the commercial tax base, strategic increases in non-tax revenues, and by going to the voters with three operating overrides requests since 1995. The fact that Brookline has been able to manage to this point does not alter the fact that there is a long-term structural deficit.

The OSC did not dedicate time to a discussion of the long-term mismatch between expenses and property tax revenue beyond acknowledging its existence. The committee urges the elected leadership of the town to study additional long-term strategies to reduce or eliminate this structural deficit.

Requests for Funding

The Town and Schools have requested funding through the override to meet current demand and to enable strategic investments. The Schools' have concluded that they cannot continue to effectively meet the educational demands of its students without additional fund, hence the request for additional funds through an override. The Town is requesting additional revenue to enable strategic investment and program growth that has been delayed by the necessary shifting of resources to the School Department while school enrollment has grown. The Town's contribution of financial resources to the schools, beyond what is required by the Town School Partnership formula, has delayed and reduced requests for property tax increases via operating overrides.

School Requests

The schools request for additional funding falls into three budgets categories - personnel, enrollment growth and service cost increases, new investments. The Override Study Committee conducted hearings, collected information, and considered each of the line item in the schools ask and recommends the following items be funded⁴.

Base Question

Expense Name	Description	Budget Category	FY'19 \$	FY'19 FTEs	FY'20 \$	FY'20 FTEs	FY'21 \$	FY'21 FTEs	Total \$	Total FTEs	Pyramid Level
Salary Increases	Enrollment and Staff COLA/Step/Retirement Leveling	Personnel	\$371,415	-	\$1,006,725	-	\$895,202	-	\$2,273,342	-	Base
Classroom Staff	Classroom Staff (FY19 = 10, FY20 = 10, FY21 = 15) = Avg 21 students	Enrollment Growth	\$791,650	10.00	\$813,600	10.00	\$1,241,208	15.00	\$2,846,458	35.00	Base
Support Staff Ratios	Sustain the current ratios for support staff (nurses, guidance, ELL)	Enrollment Growth	\$237,495	3.00	\$244,080	3.00	\$248,242	3.00	\$729,817	9.00	Base
BESA and Custodian for BHS Expansion	Adding staff at BHS due to increasing enrollment	Enrollment Growth	\$71,165	1.00	\$73,200	1.00	\$1,224	-	\$145,589	2.00	Base
Transportation (In-District Special Education Students)	Increased cost of transportation for in-district special education students due to increased enrollment and contract increase	Enrollment Growth	\$234,826	-	\$9,393	-	\$9,769	-	\$253,988	-	Base
Transportation (Regular Education Students)	Increased transportation costs related to general education due to a contract increase	Enrollment Growth	\$53,560	-	\$55,702	-	\$57,930	-	\$167,192	-	Base
Program Review Materials	Cost of updating supplies and materials for math, and subsequent subjects.	Enrollment Growth	\$0	-	\$371,880	-	\$9,297	-	\$381,177	-	Base
504 Supplies and Services	Additional funds to provide supplies and services (wheelchair lifts, air conditioners, etc...) to students with medial needs.	Enrollment Growth	\$68,000	-	\$1,700	-	\$1,734	-	\$71,434	-	Base
Supplies and Materials	Cost to remove lists sent home at the start of the year requesting donation of classroom supplies	Strategic New Investment	\$620,975	-	\$28,337	-	\$36,983	-	\$686,295	-	Base
Response to Intervention Programs and Practices	Cost of implementing an early intervention practice that, hopefully, will limit future special education costs	Strategic New Investment	\$100,000	-	\$2,000	-	\$2,040	-	\$104,040	-	Base
Paraprofessional Living Wage	Cost of increasing the compensation of paraprofessionals to a living wage - pending negotiation (\$1,600 per paraprofessional)	Strategic New Investment	\$0	-	\$492,750	-	\$9,855	-	\$502,605	-	Base
Public Buildings Division	Increase payment from the Schools to the Town's public building division for repair and maintenance of school buildings	Strategic New Investment	\$200,000	-	\$75,000	-	\$350,000	-	\$625,000	-	Base
			\$2,749,086	14	\$3,174,367	14	\$2,863,484	18	\$8,786,937	46	

⁴ The Brookline Public Schools added two items to their request late in the Override Study Committee process. The OSC did not have time to evaluate the two items in question - Anti-Defamation League Middle School, and NEASC-BHS - and, therefore, takes no position on the funding of these items.

Top Question

Expense Name	Description	Budget Category	FY'19 \$	FY'19 FTEs	FY'20 \$	FY'20 FTEs	FY'21 \$	FY'21 FTEs	Total \$	Total FTEs	Pyramid Level
Administrator Ratios	Maintain the current administrator ratios by adding administrators at Lawrence & BHS	Enrollment Growth	\$262,330	2.00	\$134,400	1.00	\$109,478	0.80	\$506,208	3.80	Top
Financial Assistance Policy	Budget for financial assistance for at need students (assumes 9% of students have needs that average \$250 per year).	Enrollment Growth	\$175,000	-	\$0	-	\$0	-	\$175,000	-	Top
Professional Development on issues of race and equity	Cost of paying staff for a full-day of professional development and of hiring two FTEs to oversee professional development	Strategic New Investments	\$212,330	2.00	\$280,000	-	\$5,676	-	\$498,006	2.00	Top
Restorative Justice	Cost of hiring two FTEs to implement an alternative dispute resolution technique	Strategic New Investments	\$152,330	2.00	\$2,600	-	\$2,652	-	\$157,582	2.00	Top
BHS Transportation - South Brookline Bus	Cost of operating additional bus transportation to/from South Brookline to BHS (includes 1 FTE and cost of bus) (cost partially offset by fees)	Strategic New Investments	\$161,165	1.00	\$6,500	-	\$6,825	-	\$174,490	1.00	Top
Athletic Transportation	Cost of providing transportation from BHS to athletic practices	Strategic New Investments	\$130,500	-	\$6,525	-	\$6,851	-	\$143,876	-	Top
			\$1,093,655	7	\$430,025	1	\$131,483	1	\$1,655,163	9	

Total Impact

Pyramid Level	SUM of FY'19 \$	SUM of FY'20 \$	SUM of FY'21 \$	SUM of Total \$
Base	\$ 2,749,086	\$ 3,174,367	\$ 2,863,484	\$ 8,786,937
Top	\$ 1,093,655	\$ 430,025	\$ 131,483	\$ 1,655,163
Grand Total	\$ 3,842,741	\$ 3,604,392	\$ 2,994,966	\$ 10,442,099

Town Requests

The Town did not receive any new resources in the 2015 override, and much of the new revenue it has received beyond what has been required to continue to operate existing government services has been transferred to the school to help the schools handle the increased costs associated with enrollment growth. This means that strategic new investments and programmatic expansions in the municipal budget have been limited during in the last decade. Against this context several municipal needs were brought to the OSC's attention for potential inclusion in a forthcoming operating override. The Override Study Committee conducted hearings, collected information, and considered each of the requests for funding that were brought to it and recommends the following items be funded.

Base Question

Expense Name	Description	Budget Category	FY'19 \$	FY'19 FTEs	FY'20 \$	FY'20 FTEs	FY'21 \$	FY'21 FTEs	Total \$	Total FTEs	Pyramid Level
Repair and Maintenance of Town Buildings	Increases the appropriation to the Public Buildings Division for repair and maintenance of town buildings	Town	\$200,000	-	\$0	-	\$0	-	\$200,000	-	Base
Geriatric Social Worker	Adds a 0.5 FTE geriatric social worker at the Senior Center for programmatic expansion	Town	\$37,179	0.50	\$930	-	\$953	-	\$39,062	0.50	Base
			\$237,179	1	\$930	0	\$953	0	\$239,062	1	

Top Question

Expense Name	Description	Budget Category	FY'19 \$	FY'19 FTEs	FY'20 \$	FY'20 FTEs	FY'21 \$	FY'21 FTEs	Total \$	Total FTEs	Pyramid Level
Fire Suppression	Restores 2 FTEs in the suppression division of the Fire Department	Town - Fire Department	\$156,720	2.00	\$3,918		\$4,016		\$164,654	2.00	Top
Diversity and Inclusion Training	Provides additional funding to the Diversity, Inclusion and Community Relations Department for trainings of Town employees	Town - Diversity, Inclusion and Community Relations Department	\$20,000	-	\$0	-	\$0	-	\$20,000	-	Top
Brookline Village Children's Librarian	Add a 1.0 FTE children's librarian at the Brookline Village Branch	Town - Libraries	\$62,429	1.00	\$1,561		\$1,600		\$65,589	1.00	Top
Preservation Planner	Add a 1.0 FTE preservation planner to the Preservation Division of the Planning Department	Town - Planning Department	\$77,110	1.00	\$1,928		\$1,976		\$81,014	1.00	Top
Snow and Ice Removal Equipment	Cost of purchasing a new sidewalk tracker to upgrade the existing fleet	Town - Department of Public Works	\$250,000	-	\$0	-	\$0	-	\$250,000	-	Top
Capital Equipment Replacement	Adds \$300,000 to the Department of Public Works appropriation for purchase of new equipment	Town - Department of Public Works	\$300,000	-	\$0	-	\$0	-	\$300,000	-	Top
Landscape Design	Provides the Department of Public Works with funds for landscape design	Town - Department of Public Works	\$17,119	-	\$0	-	\$0	-	\$17,119	-	Top
Aquatics Staff	Cost of hiring a 1.0 FTE to expand the hours of operation at the Kierane Aquatics Center	Town - Recreation Department	\$58,049	1.00	\$1,451		\$1,488		\$60,988	1.00	Top
Archival Personnel	Hiring of a 1.0 FTE to assist with document storage and a document retention policy	Town - Town Clerk's Office	\$63,459	1.00	\$1,586		\$1,626		\$66,672	1.00	Top
			\$1,004,886	6	\$10,444	0	\$10,705	0	\$1,026,035	6	

Total Impact

Pyramid Level	Σ	SUM of FY'19 \$	SUM of FY'20 \$	SUM of FY'21 \$	SUM of Total \$
Base		\$ 242,762	\$ 929	\$ 953	\$ 244,644
Top		\$ 1,071,876	\$ 10,444	\$ 14,623	\$ 1,096,944
Grand Total		\$ 1,314,638	\$ 11,374	\$ 15,576	\$ 1,341,587

Financial Policy Recommendations

A property tax override would address the projected budget shortfalls in FY19, FY20, and FY21. Unfortunately, shortfalls are projected in the municipal and school budgets beyond FY21 that will require further action. The following table shows the current projections through FY23.

Table 7. Projected Revenue and Expenses Through FY23

Fiscal Year	2018	2019	2020	2021	2022	2023
Total Revenue	273,045,997	284,676,212	291,115,063	301,246,613	310,661,861	319,230,759
\$ Increase	12,336,244	11,630,215	6,438,851	10,131,550	9,415,248	8,568,899
% Increase	4.70%	4.40%	2.10%	3.40%	3.20%	3.40%
Total Expenditures	273,045,998	289,607,248	298,982,430	311,956,501	326,729,799	341,154,707
\$ Increase	12,336,244	16,561,250	9,375,182	12,974,071	14,773,298	14,424,908
% Increase	4.70%	6.10%	3.20%	4.30%	4.70%	4.40%
Cumulative Surplus/(Deficit)		-4,931,036	-7,867,367	-10,709,888	-16,067,938	-21,923,947

The projections included in the chart make clear that action is required to address structural budget issues - predominantly overall personnel costs, escalating health insurance for current employees, pensions for retirees, and other post-employment benefits (OPEBs) - beyond the short-term “fix” of increasing property taxes. In order to address the projected deficits in the out years, the OSC strongly believes that in addition to an override, the Select Board and School Committee should immediately take steps to effect short- and long-term savings and generate new revenues.

Opportunities for Savings

The OSC is not in a position to provide a complete list of recommended efficiencies and cost savings in service delivery. However, the OSC has reviewed enough information to observe several areas where attention should be focused.

Reduce Health Insurance Premium Split Public Employees

A major driver of both the town and school budgets is personnel benefits, especially health insurance. In 2009, the town and schools’ collectively bargained with their unions to enter the state’s Group Insurance Commission (GIC) as a means of achieving cost savings and reducing the administrative express. The transition has been advantages to both the taxpayers and employees: the cost of health insurance benefits has grown more slowly than it would have had the Brookline not joined the GIC, and employees continue to have access to quality health insurance. There remains an area where significant health insurance costs savings could be achieved. The Town and Schools’ contribute 83 percent toward the cost for health

benefits, while employees pay 17 percent. This “premium split” does not compare favorably to peer communities where the split is closer to 75 percent/25 percent. For each 1 percent employees increase their premium contribution the Town and Schools will save \$700,000 in benefit costs. A change in the premium split would need to be negotiated through the Public Employee Council at which all Town and Schools unions are represented, along with retired employees. The byzantine process of negotiating and getting approval from this group makes it unlikely a shift in premium splits will occur in the near-term. Acknowledging this fact, the OSC strongly urges that the premium split be brought closer to alignment with peer communities.

Implementing Administrative Review on a Limited Number of Preservation Matters -

The Preservation Commission has experienced an increase in workload during recent years due to the implementation of new local historic districts, new Neighborhood Conservation Districts (NCDs), and an increase in the number of demolition applications. The additional workload has stressed the existing resources of the Preservation Division, which supports the Preservation Commission, and there is currently a backlog of work that needs to be completed.

The Planning Board, supported by the general Planning Department, similarly possessed a large volume of work for many years until 2017 when approval was obtained from Town Meeting which allows Planning Staff to conduct administrative review and determinations on routine matters. Early indications are that this change has provided a measure of relief. The Preservation Commission should explore implementation of a similar administrative review and determination process with the goal of achieving the same favorable result. Implementation of this change would require approval of Town Meeting.

Review of Fees Charged for Permit Parking Programs

The Transportation Division of the Public Works Department operates the following on-street parking permit parking programs: Commercial On-street and Resident Daytime. The fees required to participate in these programs are limited to the cost of administering the programs per Emerson v. City of Boston and, therefore, the Town cannot “profit” from the programs. The fees charged to participate in these programs should be evaluated to ensure 100% cost recovery is being achieved.

Parking Benefit Districts

The Municipal Modernization Act that was signed in late 2016 allows Massachusetts communities to create what are known as Parking Benefit Districts. A Parking Benefit District is a geographically defined area in which parking revenues are reinvested back into the district for transportation-related improvements. Funds may be used to purchase parking meters, improve

pedestrian and bike infrastructure, or to improve the public realm with street trees, benches, and lighting. The Town should investigate the implementation of Parking Benefit Districts to see if districts can be created where an appropriate premium on meter rates can be collected and used to fund improvements guided by residents and businesses in the area. Implementation of Parking Benefit Districts could eventually reduce pressure on the General Fund.

Circuit Breaker Funding

Students with Disabilities (SWD) students account for approximately 10% of the student population and 25% of the operating cost. State support for SWD – “circuit breaker” funding - is well below the actual costs. The state law mandating SWD programs sets the state reimbursement level at 75%, but the actual amount appropriated by the legislature is almost always lower, and has dropped to 70% from 72% in FY17 and to 65% in FY18.

Lobbying the governor and Legislature for statutory support of SWD at 75% should continue to be a top priority for Brookline’s elected leaders and senior administrators. We recommend that the School Committee and Select Board work together with the four members of the Massachusetts House of Representative and with our State Senator to increase SWD funding to the statutory level.

Every school district in the state feels the impact of underfunding by the legislature. It would be best to work together with other communities and through the Mass. Municipal Association to help make the case for more adequate support.

New Revenue Opportunities

During its review of municipal and school expenditures the OSC considered the revenue side of the ledger and came to the conclusion several opportunities exist to raise revenue. Any new revenue raised should be used to minimize service reductions and requests to the voters for property tax increases.

The Select Board will need to consider whether raising fees to residents while considering an override is advisable, and whether the fee increases recommended here are equitable and fair.

Increase Parking Meter Rates

The parking meter rates should be increased from \$1.25 to \$1.50 per hour for all 2 and 3-hour meters, from \$1.25 to \$1.50 for the first three hours of parking in the Center Street East and Fuller Street Lots, and from \$0.75 to \$1.00 for all 13-hour meters (except those on Brookline Avenue, Chapel Street, and at the Longwood MBTA Station). These rate increases would yield approximately \$700,000 of new revenue. The Select Board should raise increase parking meter rates in these location in FY20, and reduce the size of an override, in recognition that during the

second half of FY18 rates were in effect raised by beginning to pass along the service fees associated with paying for parking with a credit card.

Overnight Parking Rate

The Transportation Division of the Public Works Department operates the following off-street permit parking programs in town-owned parking lots: Commercial Daytime and Resident Overnight. The fees required to participate in these programs are outlined in a lease agreement and are subject to the approval of the Select Board and the Transportation Board. The Division should review the rates charged to ensure they reflect current market conditions and maximize revenue collection by the Town. Following completion of the study, the rates should be increased in FY20, and reduce the size of the recommended override accordingly. The delay in the rate increase is proposed in recognition of credit card payers assuming responsibility for credit card fees in January 2018.

Rental of School Facilities

The School Department has budgeted for gross revenue of \$225,000 for the rental of facilities controlled by the schools without change for several years. The OSC's preliminary investigations indicate that the Brookline Public Schools rental rates are not comparable with those charged by surrounding districts. The School Department should initiate a review of its rental rates to ensure rental rate are compatible with surrounding communities. The Override Study Committee does not possess enough information to assign a revenue target to this item.

Cemetery Rates

The 2014 Override Study Committee identified potential revenue of \$16,000 and \$31,000 that could be raised by increasing cemetery rates. The Cemetery Trustees and the Board should continue to pursue these revenue raising measures.

Recreational Marijuana Taxation

In fall 2017 the State Legislature amended the voter approved law that legalized recreational marijuana. Among the changes the Legislature made was in increase the maximum local-option sales tax a community could implement on recreational marijuana sold in its borders and to allow municipalities to collect up to an additional 3 percent of sales through user agreements with retailers. No dispensaries have opened in Brookline as of the delivery of this report, but there has been interest from several potential retailers. Based on the draft recreational marijuana zoning and licensing bylaws that were made available to the committee for its review, and the actions of the state legislature, the OSC believes Brookline can expect to collect \$750,000 of revenue from

marijuana dispensaries operating in Town by FY21. The OSC recommends that a Warrant Article be submitted to the May 2018 Town Meeting effecting this local option tax.

Taxation of Short Term Housing Rentals

Several pieces of legislation are currently pending before the state Legislature that would enable the collection of lodging taxes from short term home rentals arrangements like those facilitated by Airbnb and HomeAway, amongst others. Currently Massachusetts state government, and cities and towns, are not legally permitted to collect lodging tax from these types of arrangements.

The cumulative tax on lodging rented in Brookline is 11.7 percent. The lodging tax consists of two components - a 5.7 percent state lodging tax and a 6 percent local lodging tax. The state tax is remitted to the state for its use to fund the operations of state government, while the local Brookline tax is remitted directly to the Town's general fund. Both the local and state taxes are currently collected from any individual who occupies a qualifying lodging arrangement for 90 days or less. The pending legislation would expand the definition of qualifying lodging arrangement to include AirBnB and HomeAway type rentals.

Information about short term home rentals is limited. However, it is generally accepted that that nearly all rentals arranged through short-term home rental platforms are for less than 90 days. The number of housing arrangements available for rent, these arrangements' average cost, and their rate of occupancy is unknown; Therefore, the amount of revenue the town would collect if taxing authority was granted cannot be estimated. Unlike traditional short-term rental arrangements (like hotel rooms), the number of short term housing units available for rent can fluctuate dramatically each night - units can be listed and delisted based on the circumstances and schedules of their primary occupant. For example, a primary occupant may advertise a housing unit for rent only when it would otherwise be unoccupied (perhaps the primary occupant is out of town for a weekend or on winter break from school). It is important to understand that there are also units that are consistently advertised for rent. In summary, the total population of units available for rent on short term home rental platforms is unknown, as is the breakdown between the two subpopulations discussed above.

While "official" numbers are not known it is possible to collect anecdotal information about the availability of short term rentals. On the night of Monday, January 29, 2018 there were 94 rentals listed as available for rent in Brookline on Airbnb, perhaps the best known of these rental platforms. The rentals were not concentrated in any single neighborhood or part of town.

The Override Study Committee urges the Select Board to investigate the implications of taxing short term home rentals and, if the collection of lodging tax from these arrangements is

determined to be advantages, to contact the Town's Legislative delegation to urge passage of the pending Legislation.

Impact of Property Tax Override

An important question when deciding whether property taxes should be increased is to assess taxpayers' capacity to pay, or ability to absorb a higher property tax bill. There is no simple single answer to this question, it depends on how you slice the data. Ultimately, the OSC concluded capacity to pay is a subjective question as embedded in the capacity to pay question is an assumption of the value of current and or improved services.

A more complete analysis of the capacity to pay question can be found in the appendixes to this report.

Housing Costs

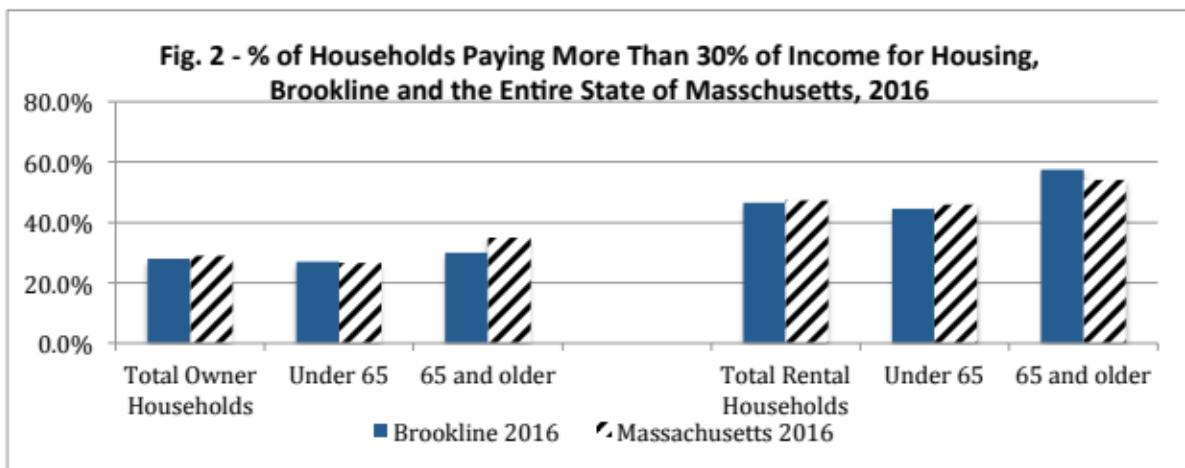
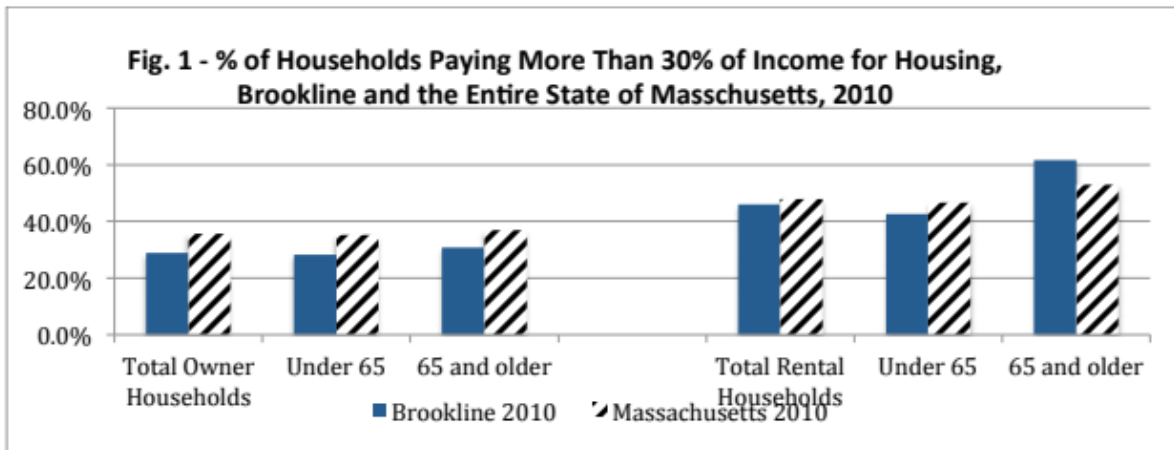
The amount of household income dedicated to housing costs must be the first topic considered in assessing capacity to pay. It is commonly accepted that owners and renters who devote more than 30% of their incomes to housing cost are financially stressed" and have few resources to spend on goods and services beyond housing. The 2014 committee concluded that approximately 30% of owner occupied households and 50% of rental household are already burdened. Presumably these households would find it difficult to bear additional taxes. In order to put these numbers in context the committee compared the rate of "financially stressed" household in Brookline to those across Massachusetts. Although households in Brookline are stressed, a slightly higher percentage of household across Massachusetts are burdened by housing costs.

The committee concludes that while noteworthy, the number of financially stressed households in Brookline is not unique.

Table 1 - Percent of Households Paying More than 30% of Income for Housing

	Brookline 2010	Brookline 2016	Massachusetts 2010	Massachusetts 2016
Total Owner Households	28.8%	27.9%	35.6%	28.90%
Under 65	28.2%	27.0%	35.2%	26.50%
65 and older	30.8%	30.0%	36.9%	35.00%
Total Rental Households	46.0%	46.6%	47.8%	47.40%
Under 65	42.6%	44.5%	46.7%	45.93%
65 and older	61.6%	57.5%	53.0%	54.00%

Source: American Community Survey.



Comparative Analysis of Taxes and Income

Comparing the cost of tax borne by residential taxpayers and Brookline and comparable communities (so-called peer communities) is another measure of the reasonableness of a

property tax increase. The 2014 committee completed this analysis and the 2017 OSC has updated it with more recent information, and to include the peer communities against which the School Department now measures itself.

Table 3 - Residential Tax Levy per Household Unit and Household Income

Municipality	2014 Sch. Peer	2014 Mun Peer	2017 Sch. Peer	Res. Levy per HU FY2011	Res. Levy per HU FY2017	%Δ FY11-17	Mean HH Inc. 2010	Mean HH Inc. 2016	%Δ FY10-16
Brookline	x	x	x	5,024	6,373	26.85%	147,140	145,131	-1.37%
Acton			x	7,172	7,994	11.46%	130,786	158,428	21.14%
Arlington		x	x	4,049	5,396	33.27%	101,307	125,046	23.43%
Belmont		x	x	6,330	7,960	25.75%	131,030	157,073	19.88%
Boxborough			x	6,279	6,236	-0.69%	119,845	138,580	15.63%
Cambridge			x	1,966	2,648	34.67%	97,296	119,288	22.60%
Carlisle	x			12,393	13,848	11.74%	189,989	241,742	27.24%
Concord	x			9,073	10,505	15.79%	183,250	192,909	5.27%
Dedham		x		4,660	5,529	18.63%	103,588	114,541	10.57%
Dover	x			13,462	14,904	10.71%	240,516	299,943	24.71%
Framingham		x		3,265	3,766	15.35%	83,730	91,252	8.98%
Lexington	x	x	x	8,287	11,154	34.60%	173,165	197,029	13.78%
Lincoln	x			9,469	10,450	10.36%	174,002	195,926	12.60%
Medford		x		2,700	3,622	34.13%	82,381	97,242	18.04%
Natick		x	x	4,444	5,517	24.15%	112,583	130,005	15.47%
Needham		x	x	6,659	8,727	31.05%	158,686	191,789	20.86%
Newton	x	x	x	6,403	7,968	24.43%	158,916	185,174	16.52%
Sherborn	x			12,869	14,812	15.09%	190,251	216,125	13.60%
Sudbury	x			10,635	11,552	8.62%	183,902	221,434	20.41%
Wayland	x			10,467	11,264	7.62%	185,407	199,541	7.62%
Wellesley	x	x	x	9,767	12,549	28.48%	213,666	264,145	23.63%
Weston	x			15,293	17,542	14.71%	276,835	288,740	4.30%
Winchester			x	7,632	9,959	30.48%	162,211	204,878	26.30%
				FY2011	FY2017	%ΔRes.Levy	2,010	2,016	%ΔMean Income
Brookline				5,024	6,373	26.85%	147,140	145,131	-1.37%
Ave., FY14 School Peers				10,738	12,413	16.56%	197,264	227,519	15.43%
Ave., FY14 Municipal Peers				5,657	7,219	26.98%	131,905	155,330	17.12%
Ave., FY17 School Peers				6,272	7,828	25.24%	141,772	170,130	19.93%
U.S. Cons.Price Index (Dec of FY)				215.9	241.4	11.81%			

Sources of Data: Residential Levy from the Massachusetts Department of Revenue, Municipal Data Bank. Number of Housing Units and Mean and Median Household Income from the American Community Survey, 2016 and 2010.

Table 3 cont'd - Residential Tax Levy per Household Unit and Household Income

Municipality	Ave.Levy/ Mean inc FY2011	Ave.Levy/ Mean inc FY2017	Med. HH Inc. 2010	Med. HH Inc. 2016	%Δ FY11- FY17	Ave.Levy/ Med. inc FY2011	Ave.Levy/ Med. inc FY2017
Brookline	3.41%	4.39%	95,448	102,175	7.05%	5.26%	6.24%
Acton	5.48%	5.05%	105,523	131,099	24.24%	6.80%	6.10%
Arlington	4.00%	4.31%	82,771	98,103	18.52%	4.89%	5.50%
Belmont	4.83%	5.07%	95,197	114,141	19.90%	6.65%	6.97%
Boxborough	5.24%	4.50%	102,222	103,556	1.31%	6.14%	6.02%
Cambridge	2.02%	2.22%	64,865	83,122	28.15%	3.03%	3.19%
Carlisle	6.52%	5.73%	155,000	167,400	8.00%	8.00%	8.27%
Concord	4.95%	5.45%	119,858	138,661	15.69%	7.57%	7.58%
Dedham	4.50%	4.83%	80,865	87,108	7.72%	5.76%	6.35%
Dover	5.60%	4.97%	164,583	189,265	15.00%	8.18%	7.87%
Framingham	3.90%	4.13%	64,061	70,706	10.37%	5.10%	5.33%
Lexington	4.79%	5.66%	130,637	152,872	17.02%	6.34%	7.30%
Lincoln	5.44%	5.33%	121,104	130,870	8.06%	7.82%	7.99%
Medford	3.28%	3.72%	70,102	79,607	13.56%	3.85%	4.55%
Natick	3.95%	4.24%	87,568	104,372	19.19%	5.07%	5.29%
Needham	4.20%	4.55%	114,365	139,477	21.96%	5.82%	6.26%
Newton	4.03%	4.30%	107,696	127,402	18.30%	5.95%	6.25%
Sherborn	6.76%	6.85%	145,250	158,250	8.95%	8.86%	9.36%
Sudbury	5.78%	5.22%	153,295	164,013	6.99%	6.94%	7.04%
Wayland	5.65%	5.64%	129,805	157,500	21.34%	8.06%	7.15%
Wellesley	4.57%	4.75%	139,784	171,719	22.85%	6.99%	7.31%
Weston	5.52%	6.08%	148,512	191,744	29.11%	10.30%	9.15%
Winchester	4.71%	4.86%	121,572	149,321	22.83%	6.28%	6.67%
	FY2011	FY2017	2,010	2,016	%ΔMed. Income	FY2011	FY2017
Brookline	3.41%	4.39%	95,448	102,175	7.05%	5.26%	6.24%
Average of							
FY14 Sch. Peers	5.42%	5.45%	137,775	159,063	15.57%	7.73%	7.75%
FY14 Mun. Peers	4.20%	4.56%	97,305	114,551	16.94%	5.64%	6.11%
FY17 Sch. Peers	4.35%	4.50%	104,745	125,017	19.48%	5.81%	6.08%

People will draw different conclusions based on the numbers in this chart. Some will conclude that Brookline, as a community, possesses the capacity to pay based on the belief that capacity to pay increases as income does. Others will argue that capacity to pay depends on recent changes in income and not on level of income, and, therefore, argue that the Brookline community has little capacity to pay.

Comparable Analysis of Property Values

Income is not the only measure of capacity to pay; wealth must be considered as well. A good measure of wealth that the committee had access to was property values in Brookline, and peer

communities. Beyond the value of real estate, no good publicly available measures of wealth exist.

**Table 4 - Residential Tax Levy and Residential Assessed Value,
Brookline and Peers, Fiscal Year 2011 and Fiscal Year 2017**

Municipality	2014 Sch. Peer	2014 Mun Peer	2017 Sch. Peer	Res. Levy per HU FY2011	Res. Levy per HU FY2017	%Δ FY11- FY17	Res.Value per HU FY2011	Res.Vaue per HU FY2017	%Δ FY11- FY17
Brookline	x	x	x	5,024	6,373	26.8%	513,056	736,149	43.5%
Acton			x	7,172	7,994	11.5%	396,686	419,394	5.7%
Arlington		x	x	4,049	5,396	33.3%	326,245	429,582	31.7%
Belmont		x	x	6,330	7,960	25.7%	478,133	627,301	31.2%
Boxborough			x	6,279	6,236	-0.7%	361,282	370,964	2.7%
Cambridge			x	1,966	2,648	34.7%	296,988	503,787	69.6%
Carlisle	x			12,393	13,848	11.7%	768,346	785,945	2.3%
Concord	x			9,073	10,505	15.8%	687,838	746,614	8.5%
Dedham		x		4,660	5,529	18.6%	324,305	374,570	15.5%
Dover	x			13,462	14,904	10.7%	1,150,615	1,142,069	-0.7%
Framingham		x		3,265	3,766	15.3%	203,692	225,395	10.7%
Lexington	x	x	x	8,287	11,154	34.6%	575,471	769,764	33.8%
Lincoln	x			9,469	10,450	10.4%	765,488	762,790	-0.4%
Medford		x		2,700	3,622	34.1%	232,596	343,009	47.5%
Natick		x	x	4,444	5,517	24.2%	352,659	408,955	16.0%
Needham		x	x	6,659	8,727	31.0%	610,944	733,956	20.1%
Newton	x	x	x	6,403	7,968	24.4%	587,477	716,508	22.0%
Sherborn	x			12,869	14,812	15.1%	726,252	723,934	-0.3%
Sudbury	x			10,635	11,552	8.6%	624,492	654,419	4.8%
Wayland	x			10,467	11,264	7.6%	540,909	620,932	14.8%
Wellesley	x	x	x	9,767	12,549	28.5%	854,533	1,064,350	24.6%
Weston	x			15,293	17,542	14.7%	1,342,691	1,414,713	5.4%
Winchester			x	7,632	9,959	30.5%	630,773	810,954	28.6%
				FY2011	FY2017	%Δ Res. Levy	FY2011	FY2017	%Δ Res. Value
Brookline				5,024	6,373	26.8%	513,056	736,149	43.5%
Ave., FY14 School Peers				10,738	12,413	16.6%	784,010	854,731	10.4%
Ave., FY14 Municipal Peers				5,657	7,219	27.0%	454,605	569,339	25.3%
Ave., FY17 School Peers				6,272	7,828	25.2%	497,381	623,229	26.0%
U.S. Cons.Price Index (Dec of FY)				215.9	241.4	11.8%			

Sources of Data: Residential Levy and Residential Assessed Value from the Massachusetts Department of Revenue, Municipal Data Bank. Number of Housing Units from the American Community Survey, 2016 and 2010.

The committee's conclusion in reviewing this data is that the value of property in Brookline has grown faster than increases in the tax levy. As a result, Brookline is now a low tax town when total tax bill is viewed in the context of residential value. This statement is true absolutely and when measured against peer communities. Owners may be reluctant to tap their equity, even if it were easy to do so, either because they want to hold onto the gains or because the gains are only

on paper until or unless the property is sold. Values could go down as well as up, most particularly in light of recent changes in Federal tax law. The fact remains that when property values are considered, there is untapped capacity to pay higher property taxes, at least on paper.

Population Diversity

The numbers show that household income in Brookline did not keep pace with inflation between 2010 and 2016. In fact, there was a substantial fall in real terms. This indicates that some people in Brookline are hurting, clearly. The question is are more hurting today than were hurting in 2010, and are more hurting in Brookline than in peer communities? The answers to these questions will help to assess whether residents are fleeing Brookline because of taxes at a higher rate than in peer communities.

There are no clear answers to these questions. The data makes clear that sampling bias and margin of error explanations do not explain the drop in income. The data actually points to the fact that income growth in Brookline has not kept up with income growth in peer communities in the recent past.

It would be inaccurate to interpret the data to mean that people who have lived here continuously over time, and who have continued to be employed full-time, have suffered a loss of real income. (There is no data on this topic.) The likely cause is that because of deaths, retirements, and migration higher income households have been replaced by lower-income households.

Table 5: Brookline Population by Age, 2010 and 2016

Age	2010	2016	Δ	%Δ
Total	58732	59180	448	0.8%
Under 5	3209	2864	-345	-10.8%
5 to 9	3031	3286	255	8.4%
10 to 14	2606	2909	303	11.6%
15 to 19	2817	2888	71	2.5%
20 to 24	6618	6674	56	0.8%
25 to 44	19,724	19385	-339	-1.7%
45 to 64	13,233	12151	-1082	-8.2%
65 & over	7,494	9023	1529	20.4%

Source: American Community Survey, Census Data for 2010, American Community Survey Estimates for 2016.

The chart shows a substantial decline in Brookline's population under 5 years of age. Also evident is growth in the school-age population, ages 5 to 19, and a slight increase in the young adult group of 20 to 24. A marked decrease in the prime working-age population of persons aged 25 to 64 is clear, as is a very large increase in Brookline over 65 population. In summary,

Brookline has seen a barbell increase – an increase in its student and elderly populations and a decline in working aged individuals. This could explain the decline in household income.

Is Brookline unique in experiencing this demographic change, or are peer communities also experiencing the same population shifts? Annual population estimates for all of Brookline’s peer communities are not available, but numbers for Massachusetts as a whole and for large cities and town proximate to Brookline are available.

Figure 6. Massachusetts Population Growth by Age Category, 2010-2016

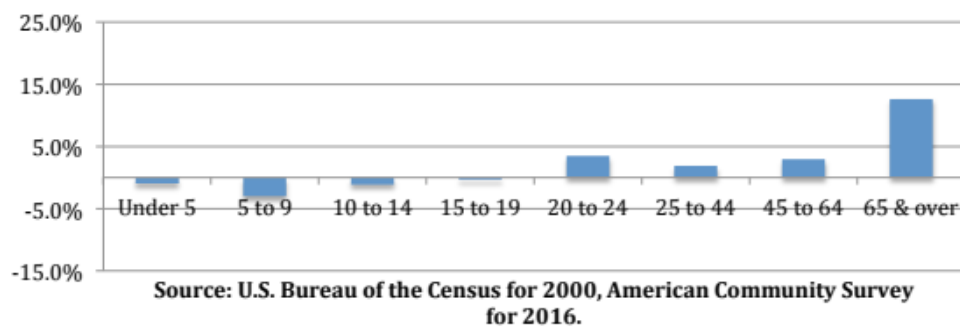


Figure 7. Newton Population Growth by Age Category, 2010-2016

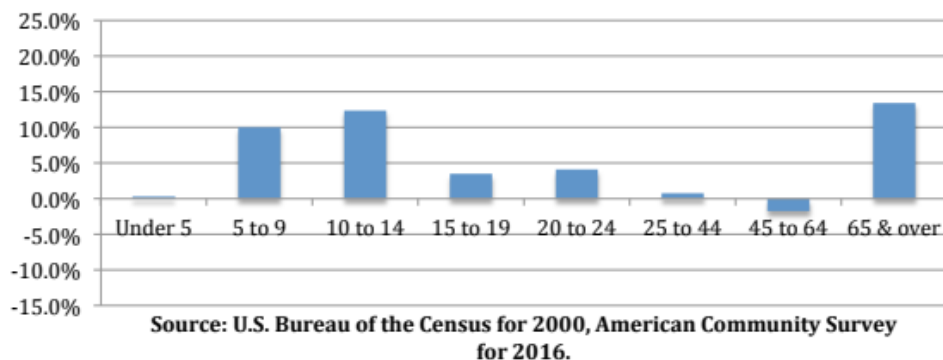


Figure 8. Cambridge Population Growth by Age Category, 2010-2016

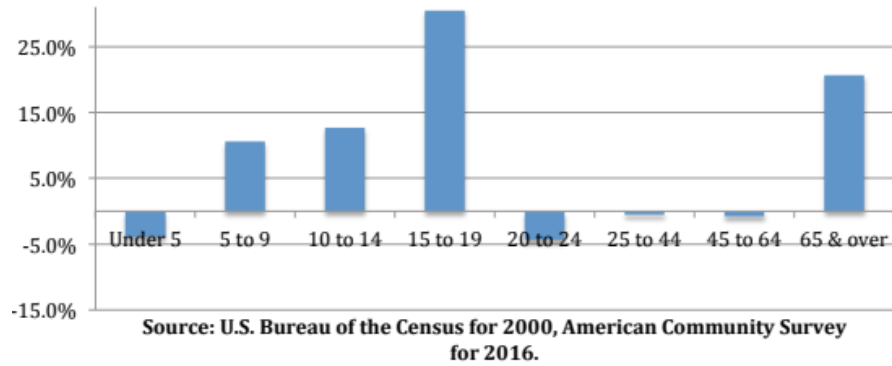
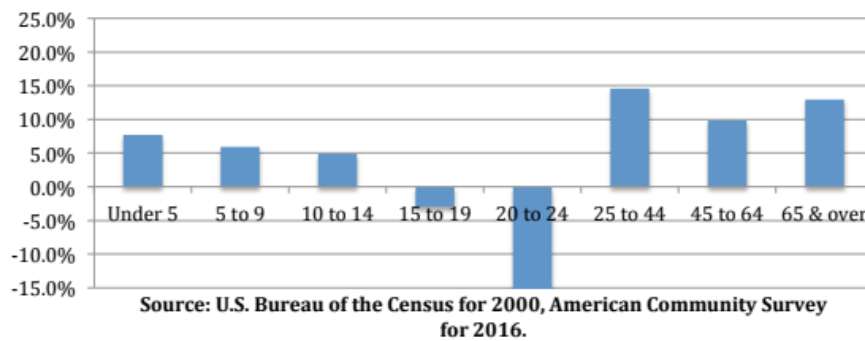


Figure 9. Boston Population Growth by Age Category, 2010-2016



In brief, Newton's data shows a similar pattern to what Brookline is experiencing, while Cambridge is seeing growth both in elderly and working-age populations, and Boston is just seeing an increase in its working-age population.

Could the decline in household income be the result, in whole or part, of an increase in the number of renters relative to homeowners? It may in part. The number of households in Brookline barely increased between 2010 and 2016, but the change in renters vs. owners was markedly different in younger households than in older ones. The number of owners under age 65 fell by 13% and the number of renters rose by 6%. Among households aged 65 and over, the number of owners rose by 40% while the number of renters fell by 6%. It presumably requires a bit less income to enter the town as a renter than as a buyer, most particularly in light of the tightening of mortgage standards following the financial crisis of 2008. It does appear that elderly owners managed to stay in their homes while a number of elderly renters left.

Impact on Brookline Taxpayers

Below are snapshots of the impact of several potential override scenarios and the impact on Brookline tax payers.

Base Override, No BHS Expansion

(Assumes 5% Interest on Devotion Borrowing, Devotion Debt Exclusion of \$49.6M)

	FY19	FY20	FY21	FY22	FY23	FY24	
Total Levy	\$211,233,230	\$225,067,030	\$235,819,716	\$245,616,274	\$253,768,700	\$262,124,937	
Total Levy as % Increase	3.53%	6.58%	4.88%	4.23%	3.37%	3.34%	
Total Levy Minus New Growth as % Increase	2.50%	5.58%	3.92%	3.33%	2.50%	2.50%	
Prop 2 1/2 Increase	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	
Override Increase	0.00%	1.42%	1.44%	1.24%	0.00%	0.00%	
Capital Increase due to BHS Expansion	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Capital Increase due to prior BHS Expansion & Devotio	0.00%	1.66%	-0.02%	-0.41%	0.00%	0.00%	
Annual Property Tax Impact (Increase in Yearly Bill)							
w/Residential Exemption	FY19	FY20	FY21	FY22	FY23	FY24	TOTAL FY'19-'24
SingleFamily	\$288	\$644	\$452	\$384	\$288	\$288	\$2,345
Condos	\$116	\$260	\$183	\$155	\$116	\$116	\$946
2&3 Fam.Homes	\$324	\$723	\$508	\$431	\$324	\$324	\$2,632
Apartments	\$448	\$1,000	\$703	\$596	\$448	\$448	\$3,642
Mixed Res/Comm	\$260	\$580	\$407	\$345	\$260	\$260	\$2,111
Affordable Condos	\$5	\$10	\$7	\$6	\$5	\$5	\$38
All Parcels with Residential Exemption	\$174	\$389	\$273	\$232	\$174	\$174	\$1,417
wo/Residential Exemption							
SingleFamily	\$416	\$930	\$653	\$554	\$416	\$416	\$3,386
Condos	\$138	\$307	\$216	\$183	\$138	\$138	\$1,118
2&3 Fam.Homes	\$370	\$827	\$581	\$493	\$370	\$370	\$3,013
Apartments	\$697	\$1,556	\$1,093	\$927	\$697	\$697	\$5,667
Mixed Res/Comm	\$278	\$620	\$436	\$370	\$278	\$278	\$2,258
Affordable Condos	\$36	\$79	\$56	\$47	\$36	\$36	\$289
All Parcels without Residential Exemption	\$164	\$365	\$257	\$218	\$164	\$164	\$1,331
All Parcels Combined	\$170	\$379	\$266	\$226	\$170	\$170	\$1,379

Base Override, BHS Expansion

(Assumes 5% Interest on Borrowing, Devotion Debt Exclusion of \$49.6M, 111 Cypress Street Borrowing of \$16M, and BHS Debt Exclusion of \$165M)

	FY19	FY20	FY21	FY22	FY23	FY24	
Total Levy	\$211,233,230	\$225,395,030	\$248,662,111	\$258,458,669	\$266,611,095	\$274,967,331	
Total Levy as % Increase	3.53%	6.74%	10.55%	4.23%	3.37%	3.34%	
Total Levy Minus New Growth as % Increase	2.50%	5.74%	9.60%	3.33%	2.50%	2.50%	
Prop 2 1/2 Increase	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	
Override Increase	0.00%	1.42%	1.44%	1.24%	0.00%	0.00%	
Capital Increase due to BHS Expansion	0.00%	0.12%	4.20%	0.00%	0.00%	0.00%	
Capital Increase due to prior BHS Expansion & Devotion	0.00%	1.69%	1.46%	-0.41%	0.00%	0.00%	
Annual Property Tax Impact (Increase in Yearly Bill)							
w/Residential Exemption	FY19	FY20	FY21	FY22	FY23	FY24	TOTAL FY'19-'24
SingleFamily	\$288	\$662	\$1,107	\$384	\$288	\$288	\$3,017
Condos	\$116	\$267	\$446	\$155	\$116	\$116	\$1,217
2&3 Fam.Homes	\$324	\$743	\$1,242	\$431	\$324	\$324	\$3,387
Apartments	\$448	\$1,028	\$1,719	\$596	\$448	\$448	\$4,686
Mixed Res/Comm	\$260	\$596	\$997	\$345	\$260	\$260	\$2,717
Affordable Condos	\$5	\$11	\$18	\$6	\$5	\$5	\$49
All Parcels with Residential Exemption	\$174	\$400	\$669	\$232	\$174	\$174	\$1,823
wo/Residential Exemption							
SingleFamily	\$416	\$956	\$1,598	\$554	\$416	\$416	\$4,357
Condos	\$138	\$316	\$528	\$183	\$138	\$138	\$1,439
2&3 Fam.Homes	\$370	\$850	\$1,422	\$493	\$370	\$370	\$3,876
Apartments	\$697	\$1,599	\$2,675	\$927	\$697	\$697	\$7,292
Mixed Res/Comm	\$278	\$637	\$1,066	\$370	\$278	\$278	\$2,906
Affordable Condos	\$36	\$82	\$136	\$47	\$36	\$36	\$372
All Parcels without Residential Exemption	\$164	\$375	\$628	\$218	\$164	\$164	\$1,712
All Parcels Combined	\$170	\$389	\$651	\$226	\$170	\$170	\$1,774

Top Question, No BHS Expansion

(Assumes 5% Interest on Devotion Borrowing, Devotion Debt Exclusion of \$49.6M)

	FY19	FY20	FY21	FY22	FY23	FY24	
Total Levy	\$211,233,230	\$227,232,561	\$238,479,855	\$248,489,022	\$256,713,267	\$265,143,117	
Total Levy as % Increase	3.53%	7.61%	5.05%	4.28%	3.36%	3.33%	
Total Levy Minus New Growth as % Increase	2.50%	6.61%	4.11%	3.38%	2.50%	2.50%	
Prop 2 1/2 Increase	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	
Override Increase	0.00%	2.45%	1.62%	1.29%	0.00%	0.00%	
Capital Increase due to BHS Expansion	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Capital Increase due to prior BHS Expansion & Devotion	0.00%	1.66%	-0.02%	-0.41%	0.00%	0.00%	
Annual Property Tax Impact (Increase in Yearly Bill)							
w/Residential Exemption	FY19	FY20	FY21	FY22	FY23	FY24	TOTAL FY'19-'24
SingleFamily	\$288	\$763	\$474	\$390	\$288	\$288	\$2,491
Condos	\$116	\$308	\$191	\$157	\$116	\$116	\$1,005
2&3 Fam.Homes	\$324	\$856	\$532	\$438	\$324	\$324	\$2,796
Apartments	\$448	\$1,184	\$736	\$605	\$448	\$448	\$3,869
Mixed Res/Comm	\$260	\$687	\$427	\$351	\$260	\$260	\$2,243
Affordable Condos	\$5	\$12	\$8	\$6	\$5	\$5	\$40
All Parcels with Residential Exemption	\$174	\$461	\$286	\$236	\$174	\$174	\$1,505
wo/Residential Exemption							
SingleFamily	\$416	\$1,101	\$684	\$563	\$416	\$416	\$3,597
Condos	\$138	\$364	\$226	\$186	\$138	\$138	\$1,188
2&3 Fam.Homes	\$370	\$980	\$609	\$501	\$370	\$370	\$3,200
Apartments	\$697	\$1,843	\$1,145	\$942	\$697	\$697	\$6,020
Mixed Res/Comm	\$278	\$734	\$456	\$375	\$278	\$278	\$2,399
Affordable Condos	\$36	\$94	\$58	\$48	\$36	\$36	\$307
All Parcels without Residential Exemption	\$164	\$433	\$269	\$221	\$164	\$164	\$1,413
All Parcels Combined	\$170	\$448	\$278	\$229	\$170	\$170	\$1,465

Top Question, BHS Expansion

(Assumes 5% Interest on Borrowing, Devotion Debt Exclusion of \$49.6M, 111 Cypress Street Borrowing of \$16M, and BHS Debt Exclusion of \$165M)

	FY19	FY20	FY21	FY22	FY23	FY24	
Total Levy	\$211,233,230	\$227,560,561	\$251,322,249	\$261,331,417	\$269,555,662	\$277,985,512	
Total Levy as % Increase	3.53%	7.77%	10.67%	4.28%	3.36%	3.33%	
Total Levy Minus New Growth as % Increase	2.50%	6.77%	9.73%	3.38%	2.50%	2.50%	
Prop 2 1/2 Increase	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	
Override Increase	0.00%	2.45%	1.62%	1.29%	0.00%	0.00%	
Capital Increase due to BHS Expansion	0.00%	0.12%	4.16%	0.00%	0.00%	0.00%	
Capital Increase due to prior BHS Expansion & Devotion	0.00%	1.69%	1.45%	-0.41%	0.00%	0.00%	
Annual Property Tax Impact (Increase in Yearly Bill)							
w/Residential Exemption	FY19	FY20	FY21	FY22	FY23	FY24	TOTAL FY'19-'24
SingleFamily	\$288	\$781	\$1,122	\$390	\$288	\$288	\$3,157
Condos	\$116	\$315	\$452	\$157	\$116	\$116	\$1,273
2&3 Fam.Homes	\$324	\$876	\$1,259	\$438	\$324	\$324	\$3,544
Apartments	\$448	\$1,212	\$1,742	\$605	\$448	\$448	\$4,903
Mixed Res/Comm	\$260	\$703	\$1,010	\$351	\$260	\$260	\$2,843
Affordable Condos	\$5	\$13	\$18	\$6	\$5	\$5	\$51
All Parcels with Residential Exemption	\$174	\$472	\$678	\$236	\$174	\$174	\$1,907
wo/Residential Exemption							
SingleFamily	\$416	\$1,127	\$1,620	\$563	\$416	\$416	\$4,559
Condos	\$138	\$372	\$535	\$186	\$138	\$138	\$1,506
2&3 Fam.Homes	\$370	\$1,003	\$1,441	\$501	\$370	\$370	\$4,056
Apartments	\$697	\$1,886	\$2,711	\$942	\$697	\$697	\$7,630
Mixed Res/Comm	\$278	\$752	\$1,080	\$375	\$278	\$278	\$3,040
Affordable Condos	\$36	\$96	\$138	\$48	\$36	\$36	\$389
All Parcels without Residential Exemption	\$164	\$443	\$636	\$221	\$164	\$164	\$1,791
All Parcels Combined	\$170	\$459	\$660	\$229	\$170	\$170	\$1,856

Acknowledgements

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